

***United States Court of Appeals
for the Second Circuit***



EXHIBITS

75-7062

United States Court of Appeals
FOR THE SECOND CIRCUIT

SIDNEY DANIELSON, Regional Director, Region 2 of the National Labor Relations Board, for and on behalf of the NATIONAL LABOR RELATIONS BOARD,

Petitioner-Appellee,

v.

INTERNATIONAL ORGANIZATION OF MASTERS,
MATES AND PILOTS, AFL-CIO,

Respondent-Appellant.

EXHIBITS

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(Tanker)

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PREAMBLE

This Agreement made as of the 16th day of June, 1972, by and between the INTERNATIONAL ORGANIZATION OF MASTERS, MATES AND PILOTS, AFL-CIO (herein the "Organization" or "Union") and _____ (herein the "Company") and any of its subsidiaries or affiliates with respect to any U.S.-flag oceangoing vessel which they either own or operate as an agent or under bareboat charter, and as further described in this Agreement.

SECTION I. EFFECTIVE DATE AND EXPIRATION DATE OF THE AGREEMENT; INCREASES

1. The Organization and the Company hereby enter into an Agreement effective June 16, 1972, covering conditions of employment, wages, hours and working conditions, said Agreement to be binding upon the parties for a period to and including midnight, June 15, 1975, except as otherwise provided. All such provisions shall be effective as of 12:01 A. M., June 16, 1972, on all ships at sea, or in port, except with respect to such terms as may be otherwise specifically provided.

2. There shall be a 6% increase of base monthly wages and night relief rates as of June 16, 1972.

3. Effective June 16, 1973, the Company shall grant, and the Organization shall have the right to allocate, an amount available for wages and other benefits, of \$8.089 per man per day, and an amount available for fringe benefits or other purposes as may be permitted by existing law of \$1.030 per man per day.

4. Effective June 16, 1974, the Company shall grant, and the Organization shall have the right to allocate, an amount available for wages and other benefits of \$8.591 per man per day, and an amount available for fringe benefits or other purposes as may be permitted by existing law of \$1.093 per man per day.

5. In the event of a dispute or disagreement between the parties as to the manner of allocation of these increases, any such dispute or disagreement shall be submitted to arbitration before the contract arbitrator provided under the Agreement.

6. The Organization, notwithstanding the aforesaid, shall have the right on sixty (60) days' written notice to the Company prior to June 16, 1974, to reopen the Agreement in lieu of (4) above, in which instance the provisions of the "no strikes, lockouts, or stoppage of work" section of this Agreement shall not apply as of 12:01 A. M., June 16, 1974.

(THIS PAGE ENDS SECTION I.)

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

1. The Company recognizes the Organization as the sole representative of its Licensed Deck Officers (except where specifically otherwise provided, the term "Licensed Deck Officers", whenever and wherever used in this Agreement, includes the Master) on U.S.-flag oceangoing vessels, for the purpose of collective bargaining.

The parties agree that it shall be the essence of the Agreement that its administration shall be confined exclusively to the parties.

The Company will not engage in activities or assist or encourage Licensed Deck Officers, or others who are not members of the Organization, in activities calculated to undermine the status of the Organization as the sole collective bargaining representative. The Company will not attempt to influence or persuade any member of the Organization to withdraw therefrom nor will the Company, in any way, attempt to interfere with the internal affairs of the Organization.

All Employees who are presently members in good standing of the Organization, or any future members, shall be required to remain members in good standing during the life of this Agreement in order to continue their present employment or to be eligible for future employment subject to all provisions of this Agreement, provided that the Company shall not be required to take action until first notified by the Organization, that such Employee has lost his good standing.

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

Subject to all other provisions of this Agreement, all members in good standing of the Offshore Division of the Organization shall have an equal right to bid for all job opportunities which are open to bidding, and all former Group Shipping classifications and priorities are abolished. To assure the fair and equitable distribution of work opportunities among Licensed Deck Officers who are members in good standing of the Offshore Division, priority of employment and dispatch of jobs which are open to bidding shall be given to the Licensed Deck Officer on the Offshore Shipping List longest unemployed in the port where the vacancy occurs.

2. Masters and Chief Officers

a. The Company shall have the right once to designate, by name, one permanent Master and, by name, one permanent Chief Officer from the ranks of its Licensed Deck Officers for each active vessel, by name, within its fleet, provided they maintain their membership in good standing in the Organization and the Company and the Master or Chief Officer desires such employment to continue. This initial designation list shall be submitted to the Organization prior to the signing of this Agreement. Continuous employment shall not be deemed to have been broken if the Master or Chief Officer is on an authorized leave of absence provided he does not, during such period, accept employment with any other Company other than Port Relief Officer work. "Port Relief Officer work" shall mean Relief Officer work as described in Section XVI.

b. Subject to other provisions of this Agreement, when a Master or Chief Officer's vacancy occurs, either permanent or relief, the Company shall have the right to select a new Master or Chief Officer provided that the new Licensed Deck Officer has been a member of the Organization for a period of not less than five (5) years and has sailed at least two (2) years as a Licensed Deck Officer aboard MISF-contract vessels and is registered on the Offshore Shipping List of the Organization in the port where the vacancy occurs as being available for selection by a Company. If a Licensed Deck Officer is registered on an Offshore Shipping List in a port, he may have his name removed from that list at any time and register on the Offshore Shipping List in another port, at his discretion. A Master or Chief Officer who has so registered on the Offshore Shipping List as being available for selection by a Company shall not be eligible to bid for jobs off the Board.

A Master or Chief Officer, not selected, but shipped off the Board through the offices of the Organization, must meet the same requirements with regard to membership and seafaring.

c. Master or Chief Officer, when transferred or cleared, shall appear in person at the appropriate office of the Organization and shall clear through such office. Such Licensed Deck Officer shall clear at the office of the Organization in the port where he joins the vessel or the office of the Organization having jurisdiction of the port. Deliberate failure to so clear shall be grounds for appropriate disciplinary action by the Organization, but shall impose no obligation on the Company, except as may otherwise be required by this Agreement.

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SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

d. Any Master or Chief Officer employed on any vessel of the Company, who is absent from the vessel by reason of vacation, illness or other legitimate leave of absence, may not be transferred away from his regular position to any other vessel without the written consent of the individual Licensed Deck Officer and the Organization. The consent of the Organization shall not be arbitrarily withheld.

e. Each Company shall adhere to the policy of promotion or demotion from within the ranks of its permanent Licensed Deck Officers, and seniority shall prevail unless the necessary qualifications are unequal. However, a permanent Master named on the initial designation list cannot be demoted to Chief Officer. All promotions will be made with due regard to the practicalities of the situation such as the availability of the Licensed Deck Officers for promotion.

f. Any Licensed Deck Officer, who was entitled to, and eligible for, selection or promotion as Master from within the ranks of the Company's Licensed Deck Officers, but was not available, shall upon becoming available, assume such employment.

g. The Organization shall be notified when a vessel is withdrawn from service for repairs, or any other reason, in a timely manner.

A Master or Chief Officer on such vessel shall indicate, in writing, on a Leave of Absence Form, to the Company and the Organization, at the time of the vessel's withdrawal from service, whether he desires to return to his vessel in his former capacity. In such cases, the Master or Chief Officer shall be granted a leave of absence for the period of the vessel's withdrawal from service.

If a Master or Chief Officer on such vessel does not desire to return to the vessel, he shall indicate, in writing, whether he desires to remain with the Company, or to transfer to another vessel, or to take a leave of absence consistent with the provisions of the Agreement.

Masters or Chief Officers who have accumulated one hundred eighty (180) days' employment aboard a vessel shall be relieved by the Company upon the conclusion of the voyage in which the one hundred eighty (180) day period occurs. Whenever a Master or Chief Officer leaves his vessel for any reason and has earned thirty (30) days of vacation, he shall take all of his earned vacation plus an additional period of time off without pay, which shall be equivalent to one-half of such period of earned vacation, before he can be re-employed.

The Company shall have the obligation on those vessels on voyages beyond one hundred and eighty (180) days, or whose trading route is permanently or semi-permanently outside the United States, to return, at Company expense, the Masters and Chief Officers, and to transport the newly-assigned Master and Chief Officer to the vessel at the Company's expense. Such new assignments shall be for a period not to exceed one hundred eighty (180) days. If the vessel's expected arrival at a U. S. port is within thirty (30) days after the one hundred eighty (180) day period, and provided there is no loading or discharging of cargo during that thirty (30) day period, it shall not be necessary to terminate the Master and Chief Officer's employment in a foreign port.

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

If, for any reason, a Company fails to terminate a Master or Chief Officer in accordance with the foregoing provisions, the Company shall pay to an MM&P Special Welfare Fund an amount equal to his total earnings and appropriate contributions to the several MM&P Plans for that period in excess of his authorized employment as above.

3. Licensed Deck Officer below Rank of Chief Officer

a. Effective on the day of signing of the Agreement, with the exception of Masters or Chief Officers, all other Licensed Deck Officer positions must be shipped from the offices of the Organization, off the Board in the port where the vacancy occurs, for a period not to exceed one hundred eighty (180) days, provided that Licensed Deck Officers so named by the Organization shall be qualified to fill the available positions. Whenever such Licensed Deck Officer leaves his vessel for any reason, and has earned thirty (30) days of vacation, he shall take all of his earned vacation plus an additional period of time off without pay, which shall be equivalent to one-half of such period of earned vacation, before he can be re-employed.

b. All permanent Licensed Deck Officers presently in the Company's employ may continue to sail from the date of signing this Agreement for a period not to exceed one hundred eighty (180) days, or until their vacation is due, or until they leave the vessel for any reason whatsoever, whichever occurs first, and at this time the Company shall terminate the permanent employment of the Licensed Deck Officer below the rank of Chief Officer, and a replacement shall be furnished through the offices of the Organization and shipped off the Board for a period not to exceed one hundred eighty (180) days.

c. Former permanent Licensed Deck Officers, regardless of rank, on authorized leaves of absence which commenced prior to the date of signing this Agreement, shall upon completion of their leaves of absence, be permitted to return to their vessels for a period not to exceed one hundred eighty (180) days, or until their vacation is due, or they leave the vessel for any reason whatsoever, whichever occurs first, at which time the employment of Licensed Deck Officers below the rank of Chief Officer shall be terminated by the Company and a replacement shall be furnished through the offices of the Organization and shipped off the Board for a period not to exceed one hundred eighty (180) days.

d. Upon the signing of this Agreement, the Company shall furnish to the Headquarters Office of the Organization a list of all permanent Employees on authorized leaves of absence as permitted under the terms of the former collective bargaining agreement. This list shall contain the following:

1. Name of Officer and original date of employment
2. Position and name of vessel to which assigned
3. Reason for leave of absence
4. Date of commencement of leave of absence
5. Expected termination date of leave of absence.

Employees who are working for the Company or the Organization ashore, under an authorized leave of absence, shall have their leaves of absence terminated at the end of a one hundred eighty (180) day period effective from the date of signing this Agreement.

(Tanker)

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

e. Licensed Deck Officers aboard tank vessels on scheduled runs, who have accumulated one hundred eighty (180) days' employment aboard a vessel shall have their employment terminated by the Company upon the conclusion of the voyage in which the one hundred eighty (180) day period occurs, and a replacement shall be furnished through the offices of the Organization and shipped off the Board for a period not to exceed one hundred eighty (180) days.

Each Company shall have the obligation on those vessels on voyages beyond one hundred eighty (180) days, or whose trading route is permanently or semi-permanently outside the continental United States, to return, at Company expense, the Officers as described above, and to transport the newly-assigned Licensed Deck Officer to the vessel at the Company's expense. Such dispatch shall be for a period not to exceed one hundred eighty (180) days. If the vessel's expected arrival at a U. S. port is within thirty (30) days after the one hundred eighty (180) day period, and provided there is no loading or discharging of cargo during that thirty (30) day period, it shall not be necessary to terminate the Licensed Deck Officer's employment in a foreign port.

If, for any reason, a Company fails to terminate a Licensed Deck Officer in accordance with the foregoing provisions, the Company shall pay to the MIP Special Welfare Fund an amount equal to his total earnings and appropriate contributions to the several MMSP Plans for that period in excess of his authorized employment as above.

4 Hiring Hall Procedure

In the hiring and dispatch of jobs above the rank of Third Officer that are open to bidding on tankships, the Company and the Organization re-affirm the policy that only Licensed Deck Officers who are qualified and reliable to supervise the type of work required by the tankship to which they are being dispatched shall continue to be referred for employment. Officers bidding for a Third Officer position who have had previous tankship experience under the authority of their license, or who have qualified themselves for dispatch for tankship service and improved their competency for tankship service through successful completion of a formalized tanker training course such as is afforded at M.I.T.A.G.S. shall have priority of dispatch over an Officer who is not so qualified himself.

With respect to the above, it is the intent of the Parties to progressively upgrade through mutually agreeable training programs, both on board tankships and at M.I.T.A.G.S., the qualifications and reliability of all Licensed Deck Officers actively engaged in the industry in order to meet the impact of environmental protection, pollution, safety, legislation and industry problems.

When placing orders for replacements for any Licensed Deck Officers, the following bidding procedures shall be followed:

a. When a vacancy below the rank of Chief Officer occurs in a United States port, the office of the Organization having jurisdiction of the port at which the vessel is located at the time when a vacancy occurs, shall be requested to provide such replacement. If that office cannot do so after two (2) job calls, it shall take immediate steps to obtain the replacement from another office of the Organization. The Organization agrees to use its best efforts to obtain the replacement from the closest office of the Organization.

b. When a vacancy occurs outside the contiguous United States, excluding Puerto Rico and Hawaii, and the vessel is scheduled to load or discharge at more than two additional ports or is not due to return to a United States port within thirty (30) days,

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

(Tanker)

the Company shall immediately order the replacement through the International Headquarters Office of the Organization located in New York or San Francisco. This provision shall not be applied to cause a delay in sailing. The penalty for violation of this provision shall be wages and all contributions to the several MM&P Plans to the Special Fund referred to in this Agreement.

c. Replacements shall be ordered by an authorized representative of the Company in a timely manner.

d. When ordering a replacement, the Company shall advise the reason for ordering the replacement and the name of the Officer for whom the replacement is being ordered, and the date the replacement job is to be dispatched.

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

5. Masters' and Chief Officers' Seniority

- a. Except for those Masters and Chief Officers who are named on the initial designation list, seniority for all other Licensed Deck Officers is terminated upon the signing of this Agreement. Thereafter, seniority shall accrue only for Masters and Chief Officers, and only in such manner as hereinafter described.
- b. After the initial designation permitted at the time of the signing of this Agreement, the seniority of the Masters and Chief Officers so designated shall be measured from their last permanent in-hire date as a Licensed Deck Officer with the Company.
- c. In the event a vacancy subsequently occurs for a permanent Master, the newly appointed permanent Master shall be at the bottom of the Masters' seniority list, and his seniority as Master shall commence as of the date he is so employed.
- d. In the event a vacancy subsequently occurs for a permanent Chief Officer, the newly appointed permanent Chief Officer shall be at the bottom of the Chief Officers' list and his seniority as Chief Officer shall commence as of the date he is so employed. However, in the case of a Chief Officer who has been named on the initial designation list as Chief Officer, and who is promoted to a vacancy for a permanent Master, he shall retain his seniority as permanent Chief Officer. His seniority as permanent Master shall commence as of the date he is so employed as permanent Master, and his service as permanent Master shall also count towards his Chief Officer seniority. Thus, in the event of a contraction of the fleet, such a Licensed Deck Officer shall have the right to a permanent Chief Officer's berth as may be permitted by his last permanent in-hire date as a Licensed Deck Officer of the Company.
- e. For purposes of measurement of date of seniority of continuous employment, authorized leaves of absence shall be included in the measurement of unbroken service except as may be otherwise provided in this Agreement. The records of the several MM&P Vacation Plans shall be utilized in the settlement of any seniority disputes which may arise.
- f. At the time of the signing of this Agreement, and at the commencement of each calendar quarter thereafter, the Company shall provide the Headquarters Office of the Organization with one copy of its Masters' seniority list and one copy of its Chief Officers' seniority list on a form approved by the Company and the Organization, standard for all Companies. Both forms will require the Officer's name, his original date of hiring for the purposes of continuous employment, his seniority number, the vessel, and the date of assignment of the Licensed Deck Officer to that vessel. The Masters' list will require, in addition, the date of his seniority as Master. The names on these lists shall be in order of seniority with the Company, with the Officer having the longest period of continuous service listed first. Such list shall also show the name of every vessel operated by the Company and the operational status of the vessel. In the event any vessel is laid up, the list shall show the date of withdrawal from service, the reason therefor, and the probable length of layup.

As required in the original designation list, the Masters and Chief Officers must not only be named but must also be assigned to a named vessel. Thus, the number of Masters and Chief Officers on each seniority list may never exceed the number of berths in the active Company fleet.

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SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

6. Masters and Chief Officers - Leaves of Absence

a. The following shall be the interpretation of leaves of absence: vacation, illness, family sickness, personal affairs, seasonal lay-ups, unforeseen temporary layoffs, temporary withdrawal from service of less than ninety (90) days and service ashore for the Company or the Organization. Except as provided in this Agreement under the mandatory clauses of the Vacation Section, a Master or Chief Officer, upon request, shall be granted a leave of absence for any of the above specified reasons.

b. Continuous employment shall not be deemed to have been broken if the Master or Chief Officer is on leave of absence, provided such Licensed Deck Officer does not, during such period, accept any employment whatsoever related to the maritime industry other than Port Relief Officer work.

c. Leave of Absence Form - (see sheet attached to end of this Section)

d. At the time of his separation from the vessel, a Licensed Deck Officer shall be required to file the leave of absence form with the office of the Organization closest to the port where his leave of absence commences and also at that port where he registers as a Company employee.

e. When a leave of absence is granted by a Company, the Company shall advise the Organization, telephonically, at the time the replacement is requested, of the name of the Licensed Deck Officer, the purpose, commencement and intended duration of the leave of absence, and confirm these facts in writing.

f. Vacation

A Master or Chief Officer, whose vacation is due, must take same and he shall have the following rights, upon the expiration of his vacation. (The term "upon the expiration of his vacation" as used in this subsection shall be deemed to mean the expiration of all of his earned vacation plus an additional period of time off without pay equivalent to the one-half of his earned vacation prior to re-assignment.)

i. A permanent Master shall not be assigned below the rank of Master nor shall he be assigned to relieve another Master who is on vacation or other leave of absence.

ii. A permanent Chief Officer shall not be assigned to relieve another Chief Officer who is on vacation or other leave of absence. A permanent Chief Officer may be assigned to a Master's berth under any conditions, provided it is within his allowable period of employment.

iii. Masters or Chief Officers who have accumulated thirty (30) days of earned vacation may, at their option, go ashore for their vacation at that time.

iv. Masters or Chief Officers returning from leave of absence for illness, sickness in the family, and reasons relating to personal affairs, shall have the same rights as those given for return from vacation.

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SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

g. Withdrawal from Service

The Organization shall be notified when a vessel is withdrawn from service for repairs or some other reason.

i. The Licensed Deck Officer on such vessel shall indicate, in writing, on the Leave of Absence from, to the Company and the Organization, at the time of the vessel's withdrawal from service, whether he desires to return to the vessel, or will accept permanent transfer to another vessel, or take a leave of absence for some other reason, consistent with other provisions of the Agreement.

ii. When a vessel is permanently withdrawn from service, the fleet seniority list shall be reduced one Master and one Chief Officer. For purposes of this Agreement, a vessel temporarily withdrawn from service shall be considered to be permanently withdrawn from service if out of commission for over ninety (90) days. Exceptional cases shall be subject to agreement of the Parties.

h. Service Ashore for the Employer or the Organization.

Permanent Company Employees working ashore for the Company or the Organization, on a leave of absence granted prior to date of signing this Agreement, shall be terminated from the Company roster or seniority list at the expiration of such one hundred eighty (180) days, commencing from the date of signing this Agreement; provided that at the expiration of such one hundred eighty (180) days, the Licensed Deck Officer shall have the right to be assigned to seagoing employment in accordance with his seniority, consistent with other provisions of this Agreement.

Subsequent to signing this Agreement, only a Master and Chief Officer may be granted a leave of absence in order to work ashore for the Company or the Organization, provided that such shoreside Company work is covered by a collective bargaining agreement between the Company and the Organization. Pension and Welfare contributions shall be maintained for such Licensed Deck Officer who has accrued at least three (3) years' pension credits, provided that he maintains membership in the Organization.

Such Licensed Deck Officer on leave of absence for shoreside employment shall suffer no loss of Company seniority. However, he shall not accumulate seniority while ashore unless by special memorandum of agreement which shall become a permanent part of the Company contract file in the Headquarters of the Organization. If the Licensed Deck Officer ashore later seeks to return to seagoing employment as Master or Chief Officer, he may do so only on the basis of his seniority prior to going ashore, unless otherwise provided. In all cases, the Licensed Deck Officer shall maintain membership in the Organization to be protected by this subsection.

7. Cadets

Cadets are on the vessel for educational purposes only. Cadets shall not be used to perform any of the duties of a Licensed Deck Officer.

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

(Subsection 6(c))

c. Leave of Absence Form

A Master or Chief Officer taking any leave of absence under this section shall be required to fill out a "Leave of Absence Form", as prescribed by the Agreement, which shall show:

(Steamship Company Name)

IOM&P LEAVE OF ABSENCE FORM

Date of Request _____

Officer's Name _____ S.S. # _____

Company _____

Ship _____ Rank: Master/Chief Officer
(indicate which)

Desired Date LOA to Begin _____ Intended duration of LOA _____

Reason for Leave of Absence:

_____Vacation _____ Personal illness __________Personal Affairs _____ Illness in the Family __________Service Ashore for Organization __________Service Ashore for Company __________Temporary withdrawal of vessel from service _____

I certify that on completion of my leave of absence that:

a. I desire to return to the same ship _____ Yes _____ No _____

b. I will accept a transfer to another vessel _____ Yes _____ No _____

Signed _____

Rank _____

SS/MV _____

Approved _____

Port of _____

CC: Officer
IOM&P
Company

SECTION II. RECOGNITION AND PREFERENCE OF EMPLOYMENT

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8. Non-discrimination

The Company and the Organization shall in no way discriminate against an otherwise qualified Officer because of age, sex, national origin, color, creed or due to non-membership in the Naval Reserve or the United States Maritime Service or in the case of the Company, because of membership in the Organization and in the case of the Organization subject to its Constitution, By-Laws and Shipping Rules.

9. Shipping Rules

The Shipping Rules of the Organization as of the effective date of this Agreement which are not inconsistent with the terms of this Agreement, shall be deemed to be part of and incorporated in this Agreement.

Shipping Rule changes made after the signing of this Agreement shall not infringe upon nor diminish the Company's rights under this Agreement.

10. Separability Clause

The parties intend that the provisions of this section should be and are in compliance with Federal and State laws. If any part hereof is determined to be in conflict therewith, the parties shall negotiate provisions to the extent necessary to insure compliance and to the extent that such provisions are so determined to be in conflict, they shall be deemed inapplicable.

11. Passes to Organization Representatives

a. Authorized representatives of the Organization shall have the right to go on board ships covered by this Agreement at reasonable times, subject to regulations mutually satisfactory to the Organization and the Company, for the purpose of consulting with the Licensed Deck personnel employed thereon, except in cases beyond the control of the Company. The names of the authorized representatives shall be furnished to the Company by the Organization. Passes issued in the representatives' names shall be forwarded to the International Headquarters of the Organization no later than two weeks after receipt from the Organization of the names of their representatives.

b. Access to and from such vessels shall be afforded authorized representatives of the Organization in the same manner and at all times as such accessibility is available and afforded to crew members and management personnel.

c. The Organization shall take out insurance which will protect the Company and subsidiary or affiliated companies against any claims, loss of life, or injury occurring to a representative of the Organization while on the property or while on board a vessel of any of the above-mentioned Companies while said property or said vessel is owned, chartered, leased, or operated under General Agency Agreement, and shall furnish satisfactory evidence of such insurance for the benefit of the Company and subsidiary or affiliated Companies.

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SECTION III. EMPLOYMENT SECURITY

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1. Discharge for Cause

a. Nothing in this Agreement shall prevent the Company from discharging any Licensed Deck Officer for just cause. Any Licensed Deck Officer so discharged shall be given a written statement advising of the discharge and an explanation of the reasons for the discharge, no later than twenty-four (24) hours before payoff or termination of the voyage, whichever is sooner. If the offense resulting in the discharge occurs during said twenty-four (24) hour period, the Licensed Deck Officer shall receive prompt notice of discharge and be provided with a written statement of discharge at the time of payoff. Any failure to furnish a written statement of discharge shall establish presumptively that the Licensed Deck Officer has been discharged without just cause. If an Organization representative is present at the time of payoff, he shall also be provided with the written statement of discharge. If an Organization representative is not present at the time of payoff, a copy of the written statement shall be mailed within forty-eight (48) hours to the Organization office nearest to the port of discharge.

If the Licensed Deck Officer does not agree with the discharge, he must notify the Organization office nearest the port of discharge within seventy-two (72) hours after such discharge. Such notification must be in writing.

b. Any dispute arising from such discharge shall be settled in accordance with the grievance procedures of this Agreement.

2. Rejection for Cause

a. When a Company rejects a Licensed Deck Officer, other than for medical reasons, whom the Company considers unsatisfactory, the Company shall furnish a statement, in writing, to the individual and to the Organization stating the reasons for the rejection and the Organization agrees promptly to furnish a replacement. If the Organization feels any rejection has been unjust, the Organization shall, without delay, take the matter up with the Company and attempt to secure an adjustment. In the absence of a satisfactory adjustment, the matter may be submitted for disposition under the grievance procedures of this Agreement.

b. If a Licensed Deck Officer has been discharged for cause by a Company, he may be dispatched to that Company to fill a vacancy provided that, since the time of such discharge, the Licensed Deck Officer has had two (2) years of satisfactory service as a Licensed Deck Officer, and further provided that the two (2) years of satisfactory service shall not be deemed to have elapsed prior to the Licensed Deck Officer having completed 360 days of shipboard employment. Such two (2) years of satisfactory service shall be presumptive evidence that the Licensed Deck Officer is qualified and satisfactory. This provision shall not apply to a Licensed Deck Officer who has been discharged for the use or possession of narcotics, or for smuggling, or for behavior which would render the vessel unseaworthy.

c. Where the discharge for cause by a Company involved the competency of a Licensed Deck Officer, based on the lack of technical knowledge, and subsequent thereto the Officer has satisfactorily completed the relevant course at the Maritime Institute of Technology and Graduate Studies, the completion of such course shall be evidence the Licensed Deck Officer is qualified and the two-year service period set forth above shall not be a prerequisite for dispatch.

SECTION III. EMPLOYMENT SECURITY

3. Medical Discharge or Medical Rejection

a. A Licensed Deck Officer who is denied employment or is discharged for medical reasons as determined by the Company's medical doctor, and disputes the medical findings, shall immediately notify the Company and the Organization and shall immediately be examined by the Organization's doctor. If the Organization's doctor concurs in the rejection, the discharge or denial of employment shall be deemed proper.

If there is a conflict between the Company doctor and the Organization's doctor, the Licensed Deck Officer shall have recourse, as follows:

Where the Licensed Deck Officer is eligible for examination by the U. S. Public Health Service, the issue as to whether the Licensed Deck Officer is fit for duty or not, shall be submitted to the U. S. Public Health Service, and its decision shall be final. Where the Licensed Deck Officer is not eligible for examination by such Service, the medical service available to the MM&P Plans shall make the final decision as to whether the Licensed Deck Officer is fit for duty. The medical service available to the MM&P Plans shall in no instance be the same as the one who is party to the disputed medical findings.

The examinations shall be limited to those conditions which were set forth as the Company's grounds for medical rejection or discharge.

b. If, under the foregoing provisions, it is determined that the medical rejection was improper, the Licensed Deck Officer shall be assigned to the job. In the event the vessel has sailed, the Licensed Deck Officer shall be awarded ten (10) days' wages, including nonwatchstanding allowance where the same is included as part of base pay, subsistence and lodging. Contributions to the several MM&P Plans shall be made by the Company on behalf of the Licensed Deck Officer for the same period. If, under the foregoing provisions, it is determined that the medical discharge was improper, the Licensed Deck Officer shall be reinstated to his job and, retroactive to the time of discharge, shall receive full base wages, including nonwatchstanding allowance where the same is included as part of base pay, contributions to the several MM&P Plans on his behalf, subsistence and lodging. The expense of the examination by the medical service available to the MM&P Plans shall be borne by the Company.

c. No Licensed Deck Officer shall be denied employment who may have a physical defect which has not prevented him from performing his Licensed Deck Officer's duties in the past unless it is proven there is deterioration which has rendered the Licensed Deck Officer unable to properly perform his duties.

4. Reduction in Fleet

The provisions of this Section shall not restrict the right of the Company to terminate a Licensed Deck Officer by reason of curtailment of operations. In the event of such curtailment, the least senior Licensed Deck Officer or Officers, as the case may be, in the permanent employ of the Company, shall be terminated. Notification of such termination shall be provided the Licensed Deck Officer involved and the Organization's office closest to the Company Headquarters in a timely manner.

SECTION III. EMPLOYMENT SECURITY5. Picket Lines

It is understood that, in the event a picket line is established against any vessel, the Licensed Deck Officers of such vessel will report and perform all of their normal duties incidental to the security of the vessel, passengers, and cargo, provided that no Licensed Deck Officer shall be required to work under conditions which may endanger his health or safety, or be required to either work behind a picket line or cross a picket line. The Organization undertakes to use its best efforts to obtain clearance for such purposes from the Union establishing the picket line. The refusal of a Licensed Deck Officer to perform work in accordance with this provision shall not be cause for discharge or discipline, and shall not be deemed a violation of the no-strike provision of this Contract.

6. Arbitration

If a dispute concerning a discharge for any reason or a refusal to employ, not involving a medical rejection, is resolved by the Arbitrator under Section XXXVI of this Agreement, the Arbitrator shall have authority to reach only one of two decisions. He may either uphold the discharge or rejection if he finds that it was made with just cause, or he may direct the Company to reinstate or employ the Licensed Deck Officer with full base wages, including nonwatchstanding allowance where the same is included as part of base pay, subsistence and lodging for the period he was off the vessel, plus contributions to the several MM&P Plans for the same period.

SECTION IV. INFORMATIONAL REQUIREMENTS

No later than thirty (30) days after the execution of this Agreement, the Company shall furnish to the Organization a statement or statements containing the following information. All lists and data supplied shall be updated promptly whenever there is any change.

1. Company Information

a. The names and title of each officer and director of the Company. If the Company is not a corporation, the names and title of each principal.

b. If a corporation, the State in which the Company is incorporated.

c. The Companies shall designate a representative in each port where the Organization maintains an office, authorized to handle and settle disputes and grievances arising under this Agreement. A list of all such designated Company representatives shall be furnished to the Organization and kept current.

d. The name and location of office of that individual in the Company who is authorized to make policy decisions concerning matters in which the Organization and the Company are jointly concerned.

e. Existence or non-existence of a construction reserve fund under provisions of federal legislation.

2. Vessel Information

a. The names, port of registry, call sign and radio-telephone ringer numbers (if any) of owned vessels.

b. With respect to vessels other than those owned by the Company, the following information shall be furnished for other vessels being operated:

- i. Name and owner
- ii. Port of registry and call sign
- iii. Time and type of charter

SECTION V. VESSELS BOUND BY THE AGREEMENT1. Coverage of Agreement

a. Vessel Coverage. This Agreement covers the Licensed Deck Officers employed on ocean-going U.S.-flag vessels, owned, operated or bareboat chartered (both at present or at any time during the life of this Agreement) by the Company or any of its subsidiaries or affiliates (whether so at present or at any time during the life of this Agreement) as an owner, agent, operator or bareboat charterer.

b. Subsidiary and Affiliate. The term "subsidiary" or "affiliate" shall be deemed to include any business entity whether corporate, partnership, trust, individual, or otherwise, which is effectively controlled by or effectively controls the Company either directly or indirectly.

c. Requirement of Subsidiary or Affiliate to Execute the Collective Bargaining Agreement. The Organization may in its discretion at any time require that any such subsidiary or affiliate execute this Agreement and a refusal to do so will give the Organization the right, upon a ten (10) day written notice to the Company, to cancel this Agreement. The failure of the Organization to request a subsidiary or affiliate to sign this Agreement shall not in any way affect the obligation of the Company herein that this Agreement does cover and include all the Licensed Deck Officers on all the vessels described above whether owned or operated by the Company or any of its subsidiaries or affiliates.

d. Agency. It is agreed that a Company operating a vessel as an Agent shall give written notice to the Organization of its status as an Agent and shall be liable for the period that the vessel is under its operation including the completion of any pending voyage for wages, vacation, bonuses and all daily contributions to the MM&P Plans required under this Agreement. The Company is obligated to give written notice to the Organization of any termination of its Agency. Failure to do so will keep the Agent bound to the foregoing obligation until such notice is received by the Organization. If the Organization objects, in writing, to its acceptance of the principal for financial reasons, the Company, if it determines thereafter to continue as Agent, undertakes all of the obligations of the principal under the contract.

e. Other than Tanker Vessels. In the event the Company acquires a vessel other than a tanker vessel, such vessel will be covered under an Agreement similar to that between the Organization and Companies whose maritime collective bargaining agreements with other Unions correspond most closely.

F.M.W.
R.C.R.

SECTION V. VESSELS BOUND BY THE AGREEMENT2. Sales and Transfers

a. With regard to any sale, charter (but not including a vessel which the Company may be operating under a bareboat charter and the charter is terminated) or any manner of transfer (except sales to foreign flag) of the Company's vessel:

i. At least seventy-two (72) hours prior to the date of the effective transfer of the vessel, written notice must be given to the Organization by the Company.

ii. The execution by the purchaser, charterer or transferee of the Organization's collective bargaining agreement shall be a condition precedent to any sale, charter or transfer.

iii. If the Company violates subsection 2(a)(ii) above, the Arbitrator may include as part of his award, loss of wages and contributions to the various Organization Plans.

iv. A violation of subsection 2(a)(ii) above shall also permit the Organization to cancel the no-strike provisions of this Agreement.

b. Sales to Avoid Payment of Severance Monies. The Company agrees that it will not use the device of a sale to another U.S.-flag Company to circumvent the payment of severance monies due under this Agreement.

3. Foreign Flag Vessels. Both parties recognize that the foreign flag question affects their respective interests. The Organization recognizes the Company's desire to maintain its position in foreign tonnage, and the Company recognizes the Organization's interest in protecting its presently outstanding jobs against foreign-owned tonnage and its desire to increase job opportunities in that tonnage.

Both parties further agree to form a Joint Committee that will meet at a mutually agreeable time and place to discuss the parties' aforesaid respective interests.

4. New Construction and Major Reconversions. For all new construction contracts and for all new conversions where the conversion includes a major rebuilding and alterations of the midships house or the house in which the Licensed Deck Officers are quartered, the following requirements shall apply in addition to any of the former provisions not superseded by the new requirements.

These requirements shall not be applicable to contracts let under the terms of the preceding Agreement; nor shall they be applicable to future construction contracts for vessels of identical design to existing vessels in the Company fleet provided that, if the Company advises the Organization of the existence of such contracts within thirty (30) days of signing such contract, only those requirements negotiated in the former applicable Agreement shall apply.

a. Location of Quarters

i. Licensed Deck quarters shall be located on a separate deck from unlicensed crew members.

L. M. H.

SECTION V. VESSELS BOUND BY THE AGREEMENT

ii. Rooms and offices for cargo checkers and other unauthorized shoreside personnel related to cargo operations shall be on a deck other than that on which the Licensed Deck Officers' rooms are located.

iii. The Master's stateroom and office shall be located directly under the navigation bridge. In the event that other licensed vessel personnel are quartered on the same deck, they shall be Licensed Deck Officers or Staff Service Personnel.

b. Quarters Requirements. Licensed Deck Officers' quarters shall be air-conditioned, adequately soundproofed, and shall have a private toilet and shower attached. Rooms are to have a minimum of one hundred ten (110) square feet of living space not including the washroom, hall space or bunks. A regular desk and chair, an upholstered high-back chair, and appropriate reading lamp, and a bunk of not less than 42"x78" (48"x78" in the case of the Master) will be the minimum acceptable furniture and shall be equipped with hooking devices

(Continue to Sec. V, 4 (c) next page)

SECTION V. VESSELS BOUND BY THE AGREEMENT

c. Recreation Rooms. All vessels shall be provided with an adequately soundproofed Officers' Recreation room located on the same deck as the Officers' quarters or the dining room, for the exclusive use of the Officers. The recreation room shall be equipped with a 21" color television, hi-fi or tape systems, telephone, radio, refrigerator, coffee facilities, tables, chairs, lamps and other essential furniture suitable for the number of Officers assigned to the vessel. The Company and the Organization agree to designate a committee for the purpose of establishing standards for Officers' recreation rooms, their furniture and decor. On vessels with split deck houses, a recreation room shall be provided in the deck house in which the Licensed Deck Officers are quartered in the same manner and with the same provisions as listed above in this Section.

d. Chief Officer's Office. All vessels shall be provided with an air-conditioned office for the Chief Officer. If the office is located adjacent to his stateroom there shall be provided a separate entrance from the weather deck. Adequate provisions shall be made to properly soundproof the office from all adjacent sleeping spaces. The ship's office shall contain the usual office furniture and equipment, and telephone or other internal communications system, and shall have an independent toilet, shower, and washing facilities. The equipment referred to herein shall include a calculator.

e. Port Relief Officer's Room. A room shall be provided for exclusive use of Port Relief Officers while in American ports. The Relief Officer's room shall be equal in all respects to the quarters provided for the ship's Officers and shall be located in the area of the Deck Officers' quarters.

f. Laundry Facilities. All vessels shall be provided with a laundry for the exclusive use of the Licensed Officers of the ship and it shall be located on the same deck as the Officers' quarters. It shall be connected to the ship's A. C. system and shall be made soundproof as necessary to avoid disturbance to adjacent personnel. The laundry shall be equipped with an automatic electric washer and dryer, tubs, ironing board and steam iron. Equipment shall be properly maintained in good working order and adequate spares to keep equipment operating shall be carried as normal vessel spares. When any equipment cannot be repaired at sea, it shall be repaired in the first port where facilities are available and time permits. On vessels with split deck houses, a laundry shall be provided in the deck house in which the Licensed Deck Officers are quartered in the same manner and with the same provisions as listed above in this section.

g. Officers' Dining Saloon. The Officers' Dining Saloon shall be properly appointed with sufficient dining space so as to insure each Officer shall have an assigned place setting and there are sufficient additional place settings as may be determined by the Company to insure service to passengers (if carried) or other shore personnel who are entitled to be fed in the Saloon. A telephone or other internal communications system shall be provided.

h. Navigating Bridge and Chart Room.

i. To minimize noise levels on the bridge, the Radio Room shall not be designed as an area opening directly onto the Navigation Bridge or Chart Room.

ii. Suitable toilet and washing facilities and a cold water drinking fountain shall be located on the bridge.

iii. Each navigating Bridge shall be equipped with a Master's Sea Cabin (or other mutually agreeable space) for use during extended periods of duty on the Bridge during sea passages.

SECTION V. VESSELS BOUND BY THE AGREEMENT

i. Shoreside Workers' Rooms and Toilets: Vessels to be constructed shall have adequate spare rooms and toilet facilities designed so as to eliminate the problem of unauthorized shore personnel using facilities reserved for the ship's complement.

j. Information Required. With respect to all new construction and major reconversion, relevant blueprints requested by the Organization for its study and comments shall be provided regarding:

i. Vessel's characteristics;

ii. Type of power plant, shaft horsepower, extra power plants, auxiliary equipment, evaporator and reefer capacity;

iii. Cargo handling facilities and equipment, gantries, cranes, conveyors, kingposts, booms, winches, dehumidification equipment and reefer equipment;

iv. Ballasting and stability control equipment;

v. Bridge equipment, navigational equipment, communication equipment, vessel control equipment, bow thrusters, ground tackle and mooring arrangements;

vi. Cargo hold or cell layout for breakbulk, containers, automobiles and refrigerated cargo;

vii. Cargo deep tanks, butterworth systems including loading and discharging equipment;

viii. Advanced apparatus perceived for future installment on the vessel, and

ix. Proposed manning by Departments including tentative quarters' arrangements and proposed layouts of rooms, dining saloon and recreation room.

k. Parties have agreed that the Company will provide the data contained in (j) above prior to discussing the manning scale with the Organization.

5. Vessels In and Out of Commissiona. Vessels in Commission

i. A vessel shall be considered in commission while there is cargo on board, or when it has not been issued a gas-free certificate, or when it is receiving power from its own plant.

ii. After a Company accepts delivery of a vessel and the vessel is still in the shipyard or if it is in the shipyard for any reason whatever thereafter, a full complement of Licensed Deck Officers shall be employed any time the vessel uses power from its own plant, or when work is performed relating to the duties or jurisdiction of the Licensed Deck Officers.

iii. A full complement of Licensed Deck Officers shall be employed at all times when a vessel is in commission.

iv. No Licensed Deck Officer shall be laid off without pay over a Saturday, Sunday, or holiday.

SECTION V. VESSELS BOUND BY THE AGREEMENTb. Vessels Out of Commission

When a vessel is out of commission, and Licensed Deck Officers are employed, the following shall prevail:

- i. If only one (1) Licensed Deck Officer is employed, he shall receive the same compensation as that of Master of the vessel.
- ii. If an additional Licensed Deck Officer is employed, he shall receive the same rate of pay and overtime as that of the Chief Officer of the vessel.
- iii. Any other Licensed Deck Officers employed shall receive the same rate of pay and overtime as that prescribed in this Agreement for the rating and capacity in which he is acting for the period in which he is employed on the vessel.
- iv. When a vessel is out of commission, a minimum of one (1) Organization Licensed Deck Officer covered by this Agreement shall also be employed in the event that (1) any licensed or unlicensed person under a seagoing collective bargaining agreement is employed by the Company to work on the vessel, irrespective of the capacity in which he is employed; or (2) any licensed or unlicensed person under any collective bargaining agreement is employed by the Company to do work falling within the jurisdiction of the Licensed Deck Officers.

If such work is (a) annual inspection or (b) testing or inspection of cargo gear by an accredited Surveyor, or (c) the volume of work becomes excessive for the one Organization Licensed Deck Officer, one (1) additional Licensed Deck Officer shall be employed to supervise.

When a vessel is shifted under a dead tow, a minimum of three (3) Licensed Deck Officers shall be employed, (except when it is being shifted within the confines of a shipyard under shipyard control).

SECTION VI. CLASSIFICATION OF VESSELS

Vessels shall continue to be classed by "power tonnage" for the life of this Agreement.

1. Power Tonnage Definition. Power tonnage is the arithmetic sum of a vessel's horsepower plus the gross tonnage.

2. Source of Information. During the life of this Agreement, in determining the class of vessel, horsepower shall be taken from the current Record of the American Bureau of Shipping and admeasurement of tonnage as determined by the current U. S. Coast Guard Admeasurement Standards.

3. Dual Tonnage. If a vessel carries a "dual tonnage" certificate issued under the 1966 Convention, the higher gross tonnage shall apply.

4. Decrease in Class. Once the power tonnage of a vessel has been determined, no subsequent conversion or changes in admeasurement for any reason may result in a decrease in class for said vessel.

5. Classifications. Vessels shall be classed for the purposes of this Agreement as follows:

<u>Class</u>	<u>Power Tonnage</u>
A-1	Above 38,001 *
A	25,001 to 38,000
B	12,001 to 25,000
C	Less than 12,000

*The classification of vessels in excess of 38,000 power tons shall be the subject of negotiations between the parties.

6. "LBD" Information. Within two (2) months after signing this Agreement, each Company shall furnish the Organization with the following information for each of its vessels and such information shall be kept up to date:

Length, Breadth and Depth (LBD) of each vessel as defined by the Inter-governmental Maritime Consultative Organization (IMCO) Treaty which defines the new admeasurement of a vessel's gross tonnage. The Organization agrees that should ratification of the Convention be implemented during the life of this Agreement, any changes in tonnage shall not change the wage scales in effect at that time.

LHM/M

SECTION VII. MANNING

1. a. The contract Manning of any vessel in effect as of the effective date of this Agreement shall not be reduced during the life of this Agreement, except by mutual agreement of the Parties where on certain types of vessels competitive circumstances may warrant.

b. In the event any vessel of a type other than those presently operated is acquired or newly constructed, or if a covered vessel is converted into a new type of vessel not fitting into any classification now covered, the Parties shall meet promptly after the Company decides to acquire, construct or convert, and endeavor to negotiate an agreement with respect to the Manning requirements, classifications and rates of pay aboard such vessel. In no event shall such vessel be put into service until the issues have been decided by mutual agreement or interim written waiver.

2. The minimum Manning for the vessels of Class C and above shall be:

- a. Master
- Non-watchstanding Chief Officer
- Second Officer
- Two Third Officers

b. Because of ever-increasing environmental protection problems, the Company shall have the right to have their vessels manned by a watchstanding Chief Officer in lieu of one of the Third Officers prescribed in the minimum Manning requirements above. When a watchstanding Chief Officer is part of the complement, the non-watchstanding Chief Officer shall continue to be the head of the Deck Department and the watchstanding Chief Officer may be used to assist the non-watchstanding Chief Officer during cargo related operations or as may otherwise be directed by the Master or the non-watchstanding Chief Officer.

3. The parties shall meet to negotiate an agreement with respect to Manning requirements, classifications and rates of pay for any vessel that is not within the Section VI classifications and has a design speed of 25 knots or over, or has a displacement of 100,000 tons or over. In no event shall such vessel be put into service until the issues have been decided by mutual agreement or interim written waiver.

SECTION VIII. WAGES AND EARNINGS

1. Specified Wages. Officers of the rank classifications hereby designated (or equivalent rank qualifications, regardless of what titles may be used by the respective Company), shall be paid the monthly wages, non-watchstanding allowance and overtime rates incorporated in this Agreement as Schedule "A" together with subsistence, quarters, maintenance and cure, as customary.

The minimum, or starting monthly wage for all Officers, on mechanized, semi-mechanized, retrofit and diesel vessels shall be ten (10%) percent higher than on conventional vessels of the same class, provided that the wage rate of the Master shall never be less than twenty-five (\$25.00) dollars in excess of any other member of the crew. For the purposes of this Agreement, all mechanized, semi-mechanized, retrofit and diesel vessels shall be considered to be not less than Class C for wage purposes.

2. Commencement of Wages. Wages shall commence the day of dispatch by the Organization as requested by the Company, provided that he reports as ordered on the date specified by the Company and is not rejected for just cause. In no case shall the Officer be required to report to a medical examiner, a Company office, vessel, or any other place designated by the Company prior to his commencement date on the payroll.

3. Reduction of Wage Prohibition. No Officer who receives a monthly wage rate higher than prescribed shall suffer a reduction in his monthly wage, provided that said Officer remains in the same position with the same Company on a vessel in the same class.

4. Length of Service Increases. In any instance where an established length of service wage increase arrangement is in effect, increases above the rate specified in Schedule "A" may be paid in accordance with the provisions of such arrangement.

5. Non-watchstanding Allowance and Equivalent. Each non-watchstanding Licensed Deck Officer whose normal hours of duty at sea are forty (40) hours per week and each Master and Staff Captain, if carried, shall receive a sum designated as non-watchstanding allowance in addition to their monthly wage.

Non-watchstanding allowance is computed by dividing the monthly base wage by twenty-one and two-thirds (21 2/3) and multiplying the result by six point zero six seven (6.067). This same formula shall be used to determine the non-watchstanding equivalent for watchstanding Officers.

The non-watchstanding allowance or equivalent shall be added to the monthly base wage of the Officer for the purpose of computing vacation benefits, bonuses and unearned wages.

6. Base Hourly Wage. The base hourly wage for Licensed Deck Officers shall be computed by dividing the base monthly wage (excluding non-watch allowance or equivalent) by one hundred and seventy-three point three (173.3).

The figure is derived by multiplying fifty-two (52), the number of weeks in a year, by forty (40), (five (5) days per week times eight (8) hours per day), and dividing the result by twelve (12), (number of months in a year).

7. Division of Wages. When a vessel is in commission with less than the manning scale required under this Agreement, for the period of time the vacancy is not filled in accordance with the prescribed hiring procedures, regardless of the reason, the following shall apply:

a. Any non-watchstanding Licensed Deck Officer required to stand watches will continue to receive his non-watchstanding allowance; he will be paid his overtime, premium time or penalty rate on the same basis as any watchstander.

b. In the event of the promotion of a watchstanding Licensed Deck Officer to a non-watchstanding vacancy, the Officer promoted shall receive the wages, non-watchstanding allowance, and contributions on his behalf shall be made to the several MM&P Plans at his new rate. Overtime for work performed shall be paid in accordance with Section XI.

c. The wages for the missing Licensed Deck Officers shall be paid to an MMP Special Welfare Fund.

8. Legal Appearances. In the event a Licensed Deck Officer appears at the request of the Company in any matter involving taking of depositions, pre-trial hearings, testimony as an expert witness or trial witness, or testimony before civic committees, he shall receive wages and reasonable living and travel expenses. Contributions to the MM&P Plans shall be made in his behalf and these days shall be considered covered days of employment.

9. Cash Advance. A Licensed Deck Officer requesting a draw in a foreign port shall be entitled to the same either in cash in U. S. money or in travelers' checks, except where prohibited by local law. He shall be entitled to one-half of his net earnings after all deductions. Draws shall be issued no later than twenty-four (24) hours prior to arrival.

10. Reporting of Earnings. When permitted by law and the appropriate mechanisms can be worked out, earnings shall be reported on the Officer's W-2 Form so income may be credited in the calendar year earned.

Whenever possible, payrolls shall be terminated and the Licensed Deck Officer's paid on the 31st of December. If at sea on foreign articles, and the appropriate mechanisms referred to above have not yet been worked out, the maximum allotment and the cash and slops advances permitted by law shall be afforded on request, and a separate notation made on the Officer's pay voucher specifying the amounts actually received by the 31st of December.

11. Tax Deductions. Deductions for F.I.C.A., Federal Income Taxes, and State payroll or disability taxes shall not exceed the amounts specified by law. Federal income taxes shall be withheld as either a percentage of earnings or on the basis of the Officer's declared legal dependents as specified by his signed W-4 form.

12. Monies Due. All unclaimed monies at time of payoff and all monies due an Officer after payoff resulting from resolved disputes shall be sent directly to the Licensed Deck Officer by the Company with a copy of the letter of transmittal and a copy of the voucher which shall indicate the reason for payment sent to the appropriate office of the Organization.

The Company will furnish the Headquarters Office of the Organization, quarterly, no less than six (6) copies of the list setting forth name of the Licensed Deck Officers and the sums of monies due that have not been paid in accordance with the foregoing.

SCHEDULE "A"

June 16, 1972

TANKER VESSELS

<u>POWER TONNAGE</u>	<u>BASE WAGE</u>	<u>OVERTIME HOURLY WAGE</u>	<u>NONWATCH</u>
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Class A-1 - *38,001 and over

*Section VI, Subsection 5. "The classification of vessels in excess of 38,000 power tons shall be the subject of negotiations between the parties."

Class A - 25,001 to 38,000

Master	\$2,079.73	\$ 18.00	\$582.34
Chief Officer	1,314.91	11.39	368.21
Second Officer	1,162.76	10.07	325.62
Third Officer	1,010.60	8.75	282.96

Class B - 12,001 to 25,000

Master	\$1,896.16	\$ 16.41	\$530.94
Chief Officer	1,226.39	10.62	343.39
Second Officer	1,090.32	9.44	305.29
Third Officer	954.23	8.27	267.19

Class C - 12,000 and Under

Master	\$1,865.19	\$ 16.14	\$522.27
Chief Officer	1,195.49	10.35	334.78
Second Officer	1,060.65	9.18	296.98
Third Officer	925.79	8.01	259.24

PORt RELIEF OFFICER

Hourly Rate - \$9.20

Minimum - \$64.40

SECTION IX. SIGN-ON AND PAYOFF PROCEDURES

The Parties agree to provide a standard sign-on and payoff procedure that will provide the following:

1. Sign-Ons and Payoffs. All sign-ons and payoffs of voyage articles or payrolls shall be scheduled, insofar as practical, on a working day between the hours of 0800 and 1700.

a. An Officer required to report on his scheduled day off, will be deemed to have not been granted the day off.

b. An Officer called out or called back on a weekend or holiday for the sole purpose of signing on or paying off, shall be paid premium time for such reporting, except on vessels where sign-on or payoff cannot be practically accomplished at some other time.

c. An Officer called out or called back to assist the Shipping Commissioner the Company Labor Relations representatives or Paymaster in the sign-on or payoff procedure during normal off-duty hours will be compensated at his overtime rate in lieu of the premium rate previously described.

d. Sign-on or payoff of Licensed Deck Officers shall not be delayed by disputes involving the Company and any other Union not representing them for collective bargaining purposes. Off-duty Officers shall be compensated for violations of this provision by the payment of premium rate if not being otherwise compensated.

e. In the event a vessel signs on articles near the end of a 31-day month and the vessel is not scheduled to sail prior to the first day of the next month, the payroll for the new voyage shall be broken into two parts. The first part shall reflect and give full credit for each remaining day of the 31-day month. The second part would reflect the rest of the voyage beginning with the first day of the following month and terminating on the day of arrival or subsequent day at the final port of payoff. The two part payroll shall be paid off on a single voucher.

f. The settling of grievances at the payoff shall not be the responsibility of the Master or the Licensed Deck Officers. This shall not preclude the Master or other Licensed Deck Officer from stating the facts of the matter either verbally or in writing and his participation shall be limited to that extent.

g. Notwithstanding any other specific prohibitions against clerical work, when payoffs or sign-ons are unable to be accomplished by a Staff Officer, by shoreside personnel provided by the Company or as described in Section XI, subsection 11, the Master shall perform this duty and shall be compensated at the rate of \$12.50 per hour which shall be in addition to any other compensation payable.

2. Payoff on Termination of Employment

A. Dismissal or Termination of Employment. When a Licensed Deck Officer is dismissed or his employment is terminated, all monies due shall be paid in the following manner:

i. On vessels arriving on or before 1200, he shall be paid prior to 1700 that day. Non-negotiable instruments or Company check shall be furnished if he is not paid prior to 1400.

ii. On vessels arriving after 1200, he shall be paid not later than 1200 of the following day.

b. Voluntary Termination of Employment. A Licensed Deck Officer requesting of the Master or Senior Deck Officer in charge that he be terminated shall be paid all monies due in the following manner:

1. On other than day of departure, when not on foreign articles, Officers requesting termination prior to 1400 shall be paid off that day. If such prompt notification is not given, he shall be paid no later than 1200 of the following day. On days of departure, Officers requesting termination at least three (3) hours prior to scheduled sailing time, shall be paid off that day. If such three-hour notice is not given, present practice shall prevail.

c. Delayed Payoff. If a payoff scheduled for the day preceding a holiday or weekend is not completed by 1400 or 1700 when non-negotiable instruments are being furnished, or in the case of Officers' being dismissed, resigning or otherwise having their employment terminated, has not been completed within the time limits specified in (a) or (b) above, or in the event of discharge if proper notice has not been given in accordance with Section III-1, then the Officer shall not be required to accept payoff if tendered after the times specified, but instead, may request the payoff be made on the following work day with continuous wages (and board and lodging unless furnished by the Company) through and including the day of payoff.

3. Statement of Account. Prior to payoff, the Company shall give the Officer a statement specifying the number of days (including bonus days, if any), allotments paid, and slop chest and cash advances, covered by the payoff; and the number of overtime, premium and penalty hours to be paid immediately. At the time of payoff, if the Company disputes any claim for wages, overtime, or other payment required under the Agreement, it shall furnish a statement showing the payments disallowed and the reason for disallowance. A copy of this statement shall be given to the Licensed Deck Officer and a copy shall be provided to the Organization's office which has jurisdiction over the port.

Failure to furnish such written statement or the furnishing of a statement which fails to set forth the facts shall presumptively establish that the claim is valid.

4. Pay Voucher Requirements. All pay vouchers or envelopes for the regular Licensed Deck Officers and all pay vouchers for Port Relief Officers must be legible and contain the ship's name, the Company's name, voyage number, and dates of payroll period.

5. Optional Payment by Check. Licensed Deck Officers shall have the option of requesting, no later than forty-eight (48) hours prior to arrival at port of payoff, that a specific dollar sum of his net wages due shall be paid at the Company's option by non-negotiable instrument or by Company check, provided however, that he shall not be permitted to ask for an amount in excess of ninety (90%) percent of his net wages due.

6. Master's Account. The Master shall be paid all monies due at the time of crew payoff. All earnings shall be payrolled and the Master's accounts shall be settled at this time.

7. Claims Subsequent to Payoff. Except when prevented by a cause beyond his control, all claims presented subsequent to the payoff must be made by the Officer or his authorized representative within fifteen (15) days after payoff, and are to be presented in writing with a copy to the Organization. In the event the Company does not respond to such claim in writing within fifteen (15) days after receipt, the claim will be presumed to be on the Licensed Personnel Board agenda, unless withdrawn by the Licensed Deck Officer or the Organization.

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1. Clerical Work. All clerical work connected with the opening and termination of Articles shall be performed by the Staff Officer or by shoreside personnel provided by the Company. When, under extraordinary circumstances, shoreside personnel are not provided, or when Staff Officers are not carried, the Master or the Licensed Deck Officer he assigns, may be required to perform this work.

2. Pay-Off Under Articles. A Licensed Deck Officer on Intercoastal or Coastwise Articles shall be paid off on request, and when on foreign articles in a U. S. port shall be paid off upon request provided a replacement is available in accordance with Section II of this Agreement and he shall not be entitled to transportation.

3. Scope of Articles. Articles shall contain an appropriate notation to the effect that the provisions of this Agreement shall be, and be deemed to be, incorporated in and part of the voyage Articles.

4. Limitation of Time. Licensed Deck Officers shall not be required to sign articles for a period of more than one hundred and eighty (180) days without the prior consent of the Organization.

. One-Way Articles. Articles for an intended one-way voyage of a vessel shall be subject to special negotiations. The provisions of any such one-way articles executed with any Company signatory to this Agreement, may be referred to as a guide for such special negotiations. If the parties fail to reach agreement, the Arbitrator shall determine the Articles and the appropriate provisions of such articles.

SECTION XI. ADDITIONAL COMPENSATION

For all time that Licensed Deck Officers, excluding the Master, are required to be available for duty - at sea and for all time that all Licensed Deck Officers are required to be available for duty in port in excess of eight (8) hours in any one day, or in excess of forty (40) hours in one week (any hours in excess of eight (8) hours in one day for which wage-related overtime is paid shall not be included in such computation) or on Saturdays, Sundays or holidays, wage-related overtime shall be paid, except as otherwise provided in this Agreement.

1. Rates of Additional Compensation. The rates payable for additional compensation when required by this Agreement shall be as follows:

a. Overtime: The overtime rate shall be one and one-half (1 1/2) times the Officer's base hourly wage as derived from the formula described in Section VIII.

b. Premium: The premium time rate is four dollars twenty-three (\$4.23) cents per hour.

c. Penalty: The penalty rate is six (\$6.00) dollars per hour.

2. Application of Rates

a. Not less than one (1) hour's overtime, premium time, or penalty rate shall be paid for any such work performed.

b. Overtime, premium time or penalty rate worked in excess of one (1) hour shall be paid for to the next hour period following.

c. Time shall commence when called to perform such work provided the Officer reports within the half-hour specified, otherwise time shall commence when he reports.

d. If the interval of time between two periods of overtime, two periods of premium time or two periods of penalty rate work is less than two hours, continuous overtime, premium time or penalty rate shall be paid.

3. Minimum Call Out. A Licensed Deck Officer off duty called out or called back in port for any reason other than shifting or hauling, shall be paid a minimum of two (2) hours' additional compensation. He shall be paid four (4) hours, if the call out or call back is on a Saturday, Sunday or holiday. Minimum call out provisions at sea shall remain the same. Call out minimums will not apply to undocking at time of departure for sea.

4. Ordering Work

a. When overtime, premium time, or penalty rate work is to be performed by Deck Department personnel, it shall be ordered by the Department Head (Chief Officer) or the Senior Licensed Deck Officer on duty, under the authority of the Master. A recap of all overtime or penalty rate work performed shall be submitted weekly on a form to be provided by the Company to the Department Head or to the Master in the event the work was performed by the Department Head, to be checked and returned to the Licensed Deck Officer in a timely manner. Any items in dispute shall be noted with the reason for disputing at the time the sheets are returned to the Licensed Deck Officer.

J. Miller
3/10/88

(Tanker)

SECTION XI. ADDITIONAL COMPENSATION5. When Payable

a. At Sea - Overtime. Licensed Deck Officers (except the Master) shall receive overtime at sea for all watches stood and for all work performed:

i. Off watch or outside of their regularly scheduled duty hours, Monday through Friday inclusive, or

ii. On Saturdays, Sundays, and holidays, or

iii. In excess of the first regularly assigned eight (8) hours' duty.

iv. If otherwise specified in this Agreement.

b. In Port - Overtime. Licensed Deck Officers shall receive overtime in port for all time they are required to remain aboard available for duty and for all watches stood or work performed:

i. Off watch or outside of their regularly scheduled duty hours, Monday through Friday, inclusive, or

ii. In excess of the first regularly assigned eight (8) hours' duty except as otherwise provided in this Agreement, or

iii. On Saturdays, Sundays, and holidays, or

iv. Between the hours of 1700 and 0800, Monday through Friday, inclusive, in non-foreign ports.

v. If otherwise specified in this Agreement.

c. Premium Time - At Sea. On only those tank ships engaged in the grain or dry bulk trade, premium time shall be payable at sea from Monday through Friday inclusive for:

i. Regular watches stood by watchstanding Officers in excess of the first eight (8) hours' work, including periods of overtime, but excluding supper relief.

ii. Work performed during regularly assigned hours of duty by non-watchstanding Officers (excluding the Master) in excess of the first eight (8) hours' work, including periods of overtime.

iii. Mooring or unmooring or transitting locks during periods of tying up and letting go on watch.

d. Premium Time - In Port. Premium time shall be payable from Monday through Friday inclusive, in Port, for:

i. Routine night watches in foreign ports from 1700 to 0800.

SECTION XI. ADDITIONAL COMPENSATION

c. Premium Time - Other Applications. Premium time shall be payable at any time an Officer:

i. Is required to work in lieu of his required rest period or is not permitted an unbroken meal hour as they are described in Section XIX, and such payment shall be in addition to any other compensation payable, except as otherwise provided in this Agreement.

ii. Is confined to the vessel under conditions described in Section XV.

iii. Standing a sea watch on the bridge is relieved to perform duties not immediately connected with the vessel's navigation such as reading temperatures, acting as a messenger, searching for stowaways or contraband, etc. This shall apply from the time "standby" is rung on the telegraph until "Finished with Engines" is rung. This payment of premium time shall be in addition to any other compensation payable.

iv. Is entitled to a premium payment under the delayed sailing provisions of Section XIII.

v. Is due additional compensation at the premium time rate as may be specified elsewhere in this Agreement.

f. Penalty Rate. The penalty rate shall be applicable as specified elsewhere in this Agreement.

6. Drills. When lifeboat or other drills are held in port or at sea on Saturdays, Sundays or holidays, overtime shall be paid for such drills except where required by law on days of departure and held within the time specified by law.

7. Work on Watch Below. Authorized work the Licensed Deck Officers routinely and traditionally do during off-watch hours (for example, navigational problems, making weather maps, chart correction and filing, gyro compass maintenance, winding of clocks, clerical work, handling the Company slop chest, safety or cargo conferences, medical duties, and so on) shall be paid for at the overtime rate when performed during overtime hours.

8. Relieving for Meals. Supper relief when stood by a watchstanding Officer shall be paid for at the overtime rate.

9. Medical Duties. When a Licensed Deck Officer is assigned to act as Medical Officer and maintain the Medical Log, he shall receive additional compensation in the form of two (2) hours' overtime for each week or portion thereof that he so serves. Work performed of a medical nature during off-duty hours shall be paid for at the overtime rate and shall be supported by entries in the Medical Log which shall indicate dates and times of services. (Past Company practice to be continued.)

10. Slop Chest Duties. Licensed Deck Officers may be required to supervise the loading of slop chest stores and to check same aboard during regular duty hours without the payment of additional compensation, but they shall not prepare starting or terminating inventories, nor shall they sell slop chest items to crew members on behalf of the Company without the payment of overtime during off-duty hours. If required to perform these duties during regular duty hours, they shall receive the premium rate described in this Section.

11. Clerical Work. When a Master is not carried, the Master shall not do clerical work except for work required in his executive capacity, such as:

- a. official logbooks
- b. reports required by law
- c. voyage letters
- d. any confidential reports

All clerical work not specifically required for the administration of a particular department other than the deck department shall be performed by a Licensed Deck Officer designated by the Master, if a qualified Licensed Deck Officer is reasonably available. It is the intent such clerical work shall be performed during regular duty hours and the premium rate described in this section shall be payable. In the event that clerical work such as relates directly to the Master's financial responsibility is unable to be assigned to another Officer, the Master may be required to perform the necessary work and shall be compensated at the rate of \$12.50 per hour regardless of when performed and shall be in addition to any other compensation payable under this Agreement.

12. Waiving of Overtime. At the commencement of a voyage or at the commencement of a pay period, a Licensed Deck Officer who is part of the complement of a vessel shall have the option to waive overtime payments during said voyage or pay period and, in lieu thereof, accrue additional days of vacation. Such days of vacation shall correspond to the amount which he would have earned as overtime, divided by the daily vacation benefit of the Employee, plus the Company's daily pension contribution for said vacation day. Said additional vacation shall be taken by the Employee immediately following a vacation period.

The Parties shall meet to establish procedures for the implementation of this provision, and the circumstances under which it can be exercised.

13. Prohibition Against Duplication or Pyramiding. Duplication or pyramiding of overtime, premium time or penalty rate payments shall not be permitted except as may be specifically provided for elsewhere in this Agreement.

14. Master's Additional Vacation and/or Compensation. The parties reaffirm that, in accordance with the customs and traditions of the sea, the command responsibility of the Master shall not be limited in any way through the application of the concept of normal hours of duty while at sea. However, the principle of the eight (8) hour day in port shall apply to the Master and his normal hours of duty shall be between the hours of 0800 and 1700, Monday through Friday, inclusive.

If the Master is required to be available for duty in any port on Saturdays, Sundays or holidays or between the hours of 1700 and 0800 on Monday through Friday, inclusive, he shall receive compensation in cash at the rate prescribed in subsection 1 (a) only for any time in excess of forty (40) hours for such duty. Said forty (40) hours' base shall be calculated on a pro rata basis for each thirty (30) day period of covered employment and the pro rata shall apply only when the Master is leaving the vessel for a leave of absence or termination of employment.

For each eight (8) hours earned in accordance with the above paragraph, the Master shall have the option to accrue one (1) extra day of vacation, which shall be a covered day of employment. If the Master elects to receive the compensation in cash, payment shall be made through the Vacation Pay when he submits the appropriate vouchers.

SECTION XII. HOURS OF LABOR AT SEA AND IN PORTAt Sea - All Vessels

1. Watchstanding Officers. Four (4) consecutive hours shall constitute a watch for Licensed Deck Officers. Two (2) such watches shall constitute a day's work.

2. Day Working Officers. The normal hours of duty for day working Licensed Deck Officers shall be between 0800 and 1200 and 1300 to 1700, Monday to Friday, inclusive.

3. No Variation of Sea Watches. On day of departure, after sea watches are set, there shall be no variation of the traditional standing of sea watches of four (4) hours on and eight (8) hours off.

4. Supper Relief

a. On ships manned by three (3) watchstanding Licensed Deck Officers, the Second Officer and Third Officer will alternate relieving for supper.

b. On ships manned by four (4) or more watchstanding Licensed Deck Officers, the two Third Officers will alternate relieving for supper. On all passenger vessels, the present practice for relieving for supper shall be continued.

5. Watch Assignments. The purpose of this Section is to give security and status to the Licensed Deck Officer. Only if mutually agreeable to the Licensed Deck Officer concerned, may the following schedule be varied; except that under circumstances of illness or incapacity the Master may temporarily shift the watches.

a. On ships manned by three watchstanding Licensed Deck Officers, or on tankers manned with a watchstanding Chief Officer in lieu of one of the two required Third Officers:

i. Third Officer shall stand 8-12 watch

ii. Second Officer shall stand 12-4 watch

iii. Chief Officer shall stand 4-8 watch.

b. On ships manned by four or more Licensed Deck Officers:

i. Third Officer shall stand 8-12 watch

ii. Third Officer shall stand 12-4 watch

iii. Second Officer shall stand 4-8 watch.

c. With respect to the choice of watches between the two Third Officers, preference shall be given to the Third Officer with seniority on the vessel.

d. When a vessel, other than passenger vessels, does sail shorthanded, the Chief Officer, who is normally a non-watchstander, must stand the 4 to 8 sea watch.

1. This subsection shall not apply to the Alaska Trade in those Companies where custom has been to the contrary.

SECTION XII. HOURS OF LABOR AT SEA AND IN PORTIn Port - Tankers

a. Eight (8) hours shall constitute a day's work. A day shall be reckoned from midnight to midnight. The normal hours of labor while port time is in effect, shall be between 0800 and 1700 from Monday through Friday, inclusive, except as otherwise provided in this Section.

Where a Licensed Deck Officer works in excess of eight (8) hours in one day, i.e., midnight to midnight, even though part of work shall be performed at sea and part in port, he shall be paid overtime for such hours worked in excess of eight hours in said one day, except as otherwise provided in this Section.

b. Overtime shall be paid (1) for all work performed in port on Saturdays, Sundays and recognized holidays; (2) for all work performed in port, including the standing of routine watches in excess of eight (8) hours per day; and (3) for all work performed in domestic ports between 1700 and 0800, Monday through Friday, inclusive, except as otherwise provided in this Section.

c. Premium rate shall be paid for standing routine watches in foreign ports between 1700 and 0800, Monday through Friday, inclusive.

d. After a vessel has arrived in all ports (foreign and domestic) and port time is in effect, only one of the regular Licensed Deck Officers shall perform the work necessarily required on weekdays during normal operations between the hours of 0800 and 1700. The expression "one of the regular Licensed Deck Officers" shall mean that one and the same man only will be aboard for the entire time between 0800 and 1700 hours. The other Licensed Deck Officers are to be permitted to go ashore (if the regulations of the port do not prohibit shore leave) and/or excused.

When the vessel's stay in a foreign port is 24 hours or more the watches after 1600 and before 0800 shall be arranged in approximately 8 hour periods. These watches shall be divided-as equally as possible between the watch-standing Licensed Deck Officers.

To comply with this Section a Rotation Schedule must be adopted amongst the Licensed Deck Officers. First, it is up to the Licensed Deck Officers on each vessel to determine the order in which they will take their respective turns to remain on duty as the vessel arrives in successive ports. Second, it is the responsibility of the Master to enforce the schedule of rotation as agreed amongst the Licensed Deck Officers. This is to mean that the Master will make the necessary assignment for the day watch in accordance with the agreed schedule. In the event the Licensed Deck Officers are unable to agree upon a schedule, the Master shall designate it.

The Chief Officer in all ports (domestic and foreign) shall not be in the rotation. His normal workday shall remain between the hours of 0800 and 1700. For any work in excess of three consecutive hours during this period, he shall be paid overtime. For any work outside of his normal work day, he shall also be paid overtime, irrespective of application of the prior sentence. However, when a vessel's expected stay in a foreign port is more than 48 hours, the Chief Officer will be included in the rotation schedule.

SECTION XII. HOURS OF LABOR AT SEA AND IN PORT

It should be particularly noted that the Licensed Deck Officer who has stood the watch between 0800 and 1700 hours has worked a total of nine (9) hours. No overtime or penalty meal hour is payable for the one (1) hour in excess of eight (8) hours. Another point to remember is that on days of arrival and departure, the watchstanding Licensed Deck Officer by virtue of the Rotation Schedule could conceivably work thirteen (13) hours between midnight and midnight. As an example, let us assume that the 12 to 4 watch on arrival day was due for the day watch in accordance with the Rotation Schedule. Between midnight and midnight of arrival day he will have worked from 0000 to 0400 for four (4) hours. In addition to this, he will have worked from 0800 to 1700 hours for nine (9) hours for a total of thirteen hours. Overtime would have to be paid from 1300 to 1700 hours, four (4) hours.

/Vessels engaged in the Coastwise West Coast Trade including Alaska - When vessels are engaged in the Coastwise West Coast trade including Alaska, the Chief Officer shall work three consecutive hours in port between the hours of 0800 and 1700, Monday through Friday, without the payment of overtime or premium time except for that premium time payable in lieu of a rest period for hours worked between midnight and 0800 when a rest period cannot be granted between the hours of 0800 and 1700. Such three consecutive hours of work shall not be considered in computing excess of eight hours' work in any one day. Similarly, the Licensed Deck Officers assigned in rotation between 0800 and 1700 Monday through Friday shall not receive overtime or premium time except for that premium time payable in lieu of a rest period for hours worked between midnight and 0800. Such period of work from 0800 to 1700 shall not be considered in computing excess of eight hours' work in any one day except on days of departure and only for that period after 1700 hours on regularly assigned sea watch./

If it is necessary under the foregoing circumstances to have an extra Licensed Deck Officer aboard between 0800 and 1700, the extra man aboard (the Licensed Deck Officer whose turn it is to be ashore) will be paid overtime for all work performed during these hours. The Master shall decide who the additional Licensed Deck Officer shall be in the event such additional Licensed Deck Officer is required.

This subsection does not restrict the Company from utilizing the services of all the Licensed Deck Officers while the vessel is in the shipyard or in a state of emergency repairs. At such time, the full complement of Licensed Deck Officers or any part thereof may be used.

e. When the ship's Deck Officers are assigned to a routine night, weekend, or holiday watch, they shall not be required to perform regular maintenance repair work except which may be occasioned due to a mechanical failure occurring during such night, weekend or holiday watch.

SECTION XIII. SEA WATCHES

1. Setting of Sea Watches. On days of departure sea watches shall be set at the time of sailing.

2. Breaking of Sea Watches.

a. Sea watches shall be broken one (1) hour after the vessel is securely anchored, moored or made fast to the dock.

b. Port time conditions shall apply whether or not watches are broken.

(Continues to Section XI: I, Subsection 3)

3. Sailing Board Requirements

a. Licensed Deck Officers will be informed by means of a sailing board as to the scheduled departure of the vessel. The sailing time shall be posted at the gangway on arrival when the vessel's stay in port is twelve (12) hours or less.

b. When the vessel's stay exceeds twelve (12) hours, the sailing time shall be posted eight (8) hours prior to scheduled sailing, if before 2400. If scheduled sailing is between 0000 and 0800, sailing time shall be posted not later than 1700. When the vessel arrives on a weekend between 1700 Friday and 0800 Monday, and is scheduled to sail prior to 0800 Monday, the sailing board shall be posted not later than one (1) hour after arrival. When a vessel is scheduled to sail on a weekend between 1700 Friday and 0800 Monday, the sailing board shall be posted no later than 1700 Friday.

c. It is agreed as part of the sailing board clause in (b) above, that if Friday is a holiday, the sailing board shall be posted not later than 1700 Thursday. Similarly, if Monday is a holiday, then the following Tuesday shall be substituted in lieu of Monday.

d. Licensed Deck Officers shall be required to report on board and be available for duty one (1) hour before time posted on sailing board.

e. If the vessel's departure is delayed and the delay is due to cargo activity, bunkering, or taking stores, the new time of departure shall immediately be posted on the board and if such delay exceeds two (2) hours, the Licensed Deck Officer off duty shall be dismissed and shall receive two (2) hours' premium time for such reporting. In the event the sailing board is changed to a new sailing time, the Licensed Deck Officer on duty at the time the board is changed, shall not be entitled to a delayed sailing penalty. The same requirements as to premium payments apply to the watch on duty on weekends and holidays.

f. If the sailing board has not been reposted and if the vessel does not sail within two (2) hours after the original scheduled sailing time, Licensed Deck Officers off duty shall receive continuous premium time pay from the original time of reporting aboard in accordance with the requirement of 3(d) of this Section until the board is reposted or until the vessel's lines are cast off or the anchor is aweigh, if at anchor. In the event that a Licensed Deck Officer on duty is relieved during this period of delayed sailing, then he shall be considered an off-duty Licensed Deck Officer and shall receive continuous premium time pay from the time he is relieved of duty until departure time.

For sailing board purposes, "departure time" shall mean "last line off dock" or "anchor aweigh" or "secured for sea" in the case of barge carriers.

g. It is agreed that the premium time rate applicable for failure to comply with any provision in this Section shall be payable to the Master on the same basis as the Licensed Deck Officers.

h. If a Licensed Deck Officer is required to work after having reported back for the sole purpose of sailing, the premium time penalty prescribed by this Section shall be payable in addition to any other compensation due for work performed.

i. Premium time pay prescribed above shall not apply if sailing is delayed on account of weather, such as rain, fog, or any other condition beyond the vessel's control.

4. Rest Before Watch. No Officer shall be required or permitted to take charge of a watch upon leaving or immediately after leaving port unless he has had at least six (6) hours off duty within the twelve (12) hours immediately preceding the vessel's actual sailing time.

SECTION XIV. PORT TIME, ARRIVAL AND DEPARTURE

(tanker)

1. Arrival in Port. A vessel shall be deemed to have arrived and port time shall commence in effect thirty (30) minutes after it has anchored or moored at or in the vicinity of a port (or other place of loading or discharging) for the purpose of cargo activity, ballast, passengers, mail, bunkers, storing, undergoing repairs, fumigation, lay-up, awaiting orders or berth.

2. Clarification. The term "anchored or moored" at or in the vicinity of a port (or other place of loading and discharging) shall cover any situation where the facts of the situation disclose that the vessel has as its immediate destination, the specific port or other place of activity described in (1) above.

3. Port Time Not Applicable. Port time shall not apply:

a. To arrivals for emergency anchorage, mooring or heaving to solely for reasons of safety, or,

b. While awaiting pilot, quarantine, pratique, safe weather or tide; it is agreed however, that in the case of awaiting pilot, quarantine and pratique, any such exception shall not apply where the delay is because the vessel is awaiting a berth and in any event shall only apply where the delay is caused by the arrival of the vessel during hours that the officials granting quarantine or pratique are not on duty and only for such limited period.

c. Port time shall continue in effect after it has been established until the vessel's final departure as defined in subsection 6 below.

4. Vessel Clearance Requirements

a. In all ports where twenty-four (24) hour quarantine, immigration, customs, security or Department of Agriculture service is available, the Company shall make a diligent effort to obtain clearance for the vessel on arrival. Port time shall be deemed to be in effect no later than the commencement of any of the activities described in subsection (1) above.

b. In order to avoid disputes concerning this section, the Company shall supply the Organization with an English translation of the official duty hours of quarantine, immigration and custom officials in all ports listed by the Organization.

c. In all foreign ports where formal local government clearance is granted by radio or waived, port time shall commence as described in subsection (1) above.

5. Interrupted Port Stay. After original arrival in a port where, because of security or vessel safety reasons, a vessel must leave the harbor and then returns to the same port for the original purpose of the call, the following shall apply:

a. The vessel shall be considered to be under port time condition for the purposes of watches stood after 1700 and prior to 0800 on weekdays, and at any time on Saturdays, Sundays or Holidays.

b. Under the conditions of subsection (5), it is agreed that the Master shall be entitled to the shift ship minimum for each departure or actual time worked at the shift ship rate whichever is greater and shall be entitled to the shift ship minimum for each arrival if his time has not been continuous.

(This subsection shall only apply to vessels required to leave port and return as a result of civil strife, acts of war, or open hostilities, armed conflict or rebellion, or any similar circumstances affecting the safety or security of the vessel and/or its personnel.)

6. Departure from Port. A vessel shall be deemed to have departed and port time terminated thirty (30) minutes before mooring lines are cast off or anchor is aweigh for the purpose of putting to sea directly.

SECTION XV. CONFINEMENT TO VESSEL

1. Whenever a vessel is under port time conditions, as provided in Section XIV, the Licensed Deck Officers, including Masters, entitled to be off watch in accordance with this Agreement shall be entitled to shore leave.

2. Ship to Shore Boat Service

a. When a vessel arrives at a safe harbor for a stay of more than eight (8) hours, the Company shall furnish round trip ship-shore boat service (unless bad weather prohibits), when regular service is available.

b. Such service shall be so scheduled as to enable Licensed Deck Officers to go ashore soon after coming off duty and to return to the vessel in time to go on watch, and shall provide a minimum of six (6) round trips daily.

c. The Master shall discuss the scheduling with the Licensed Deck Officers as well as with other departments. If such service is available when weather permits, and is not provided, the following shall apply:

When Licensed Deck Officers are entitled to shore leave and denied same for any reason except as provided below, or when launch service is not provided as required by this Agreement, the premium rate shall be paid for all hours while off watch.

3. In port, where regular launch service is not available, the Licensed Deck Officers may make their own arrangements for transportation and the Company agrees to reimburse either the Licensed Deck Officers or the owner of the boat up to two (\$2) dollars round trip per man carried once every twenty-four (24) hours.

4. Where such local government restrictions prohibit shore leave, such orders must be in writing from proper shore authorities and shall be posted on the vessel's bulletin board and entry made in the ship's log book. Under the above circumstances, the Company shall produce a copy of the government restriction order when the Licensed Deck Officer is paid off. If it is not possible to get a copy of such restriction order, the Master will prepare a letter stating the terms of restriction for presentation to either the agent of the government or military and, if agent acknowledges receipt of such letter, this will be ample proof of such restriction.

This shall not apply in cases of emergency as defined in Section XXV of this Agreement.

5. The only reason to deny shore leave is where prohibited by local law, such as denial of pratique or quarantine. Any such prohibition must be posted on the bulletin board and placed in the log. Failure to do so shall conclusively preclude any claim by the Company that shore leave was prohibited.

SECTION XVI. PORT RELIEF OFFICERS

1. Compensation. The compensation for Port Relief Officers which incorporates the vacation benefit shall be as specified in Schedule "A".

2. When to be Employed. Port Relief Officers, when available must be employed on a Company vessel in service in all United States ports, including Puerto Rico, during Saturdays, Sundays, recognized holidays and the hours between 1600 and 0800, Monday to Friday inclusive. The Port Relief Officer shall be retained until the vessel sails. Port Relief Officers shall continue to service tankers in the same ports and areas as previously authorized. Any additional ports or area shall be negotiated between the Parties.

3. Hours of Work. A normal tour of port relief duty on weekdays is either 1600 to 2400, or 0000 to 0800; present practice in the various ports shall continue on weekends and holidays.

4. Minimum Hours. Whenever a Port Relief Officer's services are required, he is entitled to a minimum of seven (7) hours of pay.

a. Maximum Hours. No Port Relief Officer shall work for a longer period of time than sixteen (16) consecutive hours, except in the event of an emergency.

5. Less Than Four (4) Hours of Work. The Company is not required to call for a Port Relief Officer's services when the foreseeable tour of duty is less than four (4) hours. If, however, the short tour of duty immediately precedes or follows the regular tour of duty of another Port Relief Officer, he shall also be employed for the short tour, being paid only for the hours actually worked. The Company agrees that it will not violate the four-hour rule by the device of posting an improper sailing time on the sailing board.

6. Duty to Order Port Relief Officers. All Port Relief Officers must be ordered through the offices of the Organization during the Organization's regular office hours, Monday through Friday, excepting holidays, provided however, they shall be ordered not later than 1330 hours. Neglect to make timely request for Port Relief Officer services will render the Company liable to pay for all uncovered time until a Port Relief Officer is on duty. When Port Relief Officers are ordered, their pay will commence at the time for which they are ordered to report to the vessel. Such payment shall not be denied in the event of a delay in the vessel's arrival.

7. Uncovered Time. Full compensation for all uncovered time shall be paid to the MMP Special Welfare Fund, excepting that contributions that would normally be payable to the several MM&P Plans shall be paid to the appropriate Plan.

8. Shifting Vessel. When a vessel is shifted during a Port Relief Officer's tour of duty:

a. If the shift is within a port, the Port Relief Officer may be required to remain aboard.

b. If the shift is to another port, the Port Relief Officer must leave the vessel.

c. The past interpretation of (a) and (b) with respect to definition of "port" shall be continued.

9. Using ship's Officers. The Company may keep the vessel's regular Officers on duty while the vessel is in port, in addition to employing Port Relief Officers.

SECTION XVI PORT RELIEF OFFICERS

10. Port Relief Officers' Facilities. On Company-owned vessels, the Company shall make available to Port Relief Officers employed aboard the vessel, suitable secure facilities for changing clothes and cleaning up in the vicinity of the Officers' quarters, and shall furnish soap and towels. Present standards and facilities on each vessel shall not be downgraded and shall not be used for the stowage of cargo, stores or any other material. When the above facilities are not furnished, the Port Relief Officer shall receive the lodging allowance for each tour of duty on the vessel. On other than Company-owned vessels, the suitable facilities mentioned herein shall be reviewed on an individual ship basis.

11. Penalty Work. Relief Deck Officers shall not paint, chip, scale or polish bright work, or do any cleaning up work in the Deck Department, or any other work commonly assigned to the unlicensed personnel. If for any reason, Relief Deck Officers are required to do such work, they shall receive, in addition to their regular compensation, the penalty rate while such work is being performed. It is mutually understood that the intent and purpose of this paragraph shall not be abused by either party.

12. Meals.

a. When hot meals are being served during the ship's regular meal hours, the Port Relief Officer shall be served in the regular Officers' dining room during his tour of duty, if circumstances permit.

b. A hot midnight meal shall be furnished Port Relief Officers standing a night watch in excess of eight (8) hours and a noon meal on Saturday, Sunday, and holidays, or in lieu thereof, subsistence in accordance with Section XIX for each meal not furnished.

13. Travel Expenses. The Company shall reimburse round trip traveling expenses of fifty (50¢) cents or more. Round trip travel time from the Organization's office to the vessel shall be paid for Port Relief Officers at the appropriate wage rate; but, if quarters are provided on the vessel for the Port Relief Officer's use during the period of his employment, and the Port Relief Officer lives aboard, he shall be paid only for his watchstanding and for the travel time for one round trip. "Travel time" and "expenses" shall be agreed upon by the Parties for all ports served, but in no instance shall the combination of travel time and transportation expenses be less than \$10.00 for each round trip.

In ports where existing travel and transportation schedules are presently in existence, they shall continue to be in effect and transportation costs shall be adjusted to conform with any changes in transportation costs in a timely manner. The current travel schedules shall be ordered to be incorporated in this Agreement.

14. Payoff Procedures. The present practice of paying Port Relief Officers in the offices of the Organization shall continue. In areas where this service is not afforded, the Port Relief Officer payoff shall be as follows:

A Port Relief Officer shall be paid off no later than 1700 on the day his employment ends (except weekends or holidays), if he has presented himself for payment at the designated place before 1400. He must be paid an amount equal to the regular wage rate for each hour's delay (up to a maximum of eight in any twenty-four hour period). If he must return to the vessel for his payoff, he shall be compensated additionally for transportation expense and travel time.

SECTION XVI. PORT RELIEF OFFICERS

15. Port Relief Officer Requirements. A member in order to qualify for registration as a Port Relief Officer must have been in good standing in the Organization for two (2) years, and must have sailed a minimum of one (1) year on MM&P contract vessels.

In full recognition of the increasing need for the protection of our environment and ecology, the Organization agrees to continue to use its best efforts to insure that a Port Relief Officer shall not be dispatched to a tanker engaged in the carriage of liquid or gaseous cargo, unless in the opinion of the Organization, the Licensed Deck Officer being dispatched is qualified and reliable to perform the work required of any of the Licensed Deck Officers on the particular type of tanker to which he is being dispatched.

The Company agrees to provide sufficient information regarding the required operation upon placement of the job order so as to insure that the Organization can continue to provide Officers with the required training and professional experience necessary to supervise the work to be performed.

16. Adequate Personnel. The Port Relief Officer shall have a full deck watch available to supervise during any cargo transfer operations or tank cleaning operations.

17. Rest Before Watch. A Port Relief Officer shall not be permitted to assume a watch unless he shall have had at least eight (8) hours of off-duty prior to assuming the watch.

18. Company Port Relief Officer

Nothing in this Section shall prohibit the Company from selecting a Port Relief Officer from the Shipping List for employment on a monthly basis. An Officer so selected shall meet the same qualifications concerning eligibility for employment as any other Port Relief Officer. When an Officer is employed on a monthly basis, the following conditions shall apply:

a. Compensation for such a monthly Port Relief Officer shall be equivalent to that of a non-watchstanding Chief Officer employed aboard a vessel in Class A power tonnage classification.

b. All work performed in excess of one hundred seventy three (173) hours shall be paid for at the overtime rate specified for a Chief Officer of a Class A tank ship.

c. He shall be reimbursed for transportation expenses, and shall receive credit for pension, welfare, vacation and all other benefits due a Licensed Deck Officer under this Agreement. The non-watchstanding allowance shall not be included in the computation of vacation benefits.

d. All payments of monies due shall be made through the Port Relief Officer program of the Organization at such intervals as may be designated by the Company, but not less often than on a bi-weekly basis.

e. The Company will also be required to make full contributions to the appropriate MM&P Plans as required for any other Licensed Deck Officer employed under this Agreement.

(Continue to Page 38 (a), Section XVI, Subsection 18 (f))

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SECTION XVI, PORT RELIEF OFFICERS

f. Vacation for a monthly Port Relief Officer shall be mandatory upon the completion of each ninety (90) day period of employment.

g. The duties of monthly Port Relief Officers shall be restricted to those of the regular Licensed Deck Officers aboard the vessel and he shall be governed by the same working conditions as all other Port Relief Officers.

SECTION XVII. SHIFTING SHIP

1. Inland Waters. After the vessel has arrived in port, as defined in Section XIV, any subsequent move in inland waters, bays, rivers, and sounds shall be regarded as shifting ship except as hereinafter noted:

a. Puget Sound - moves from U. S. to Canadian ports, and vice versa.

b. Hudson River - New York to Albany, and vice versa.

c. River Platte - Buenos Aires or Montevideo to Rosario and points north, and vice versa.

d. Chesapeake Bay - Baltimore to Norfolk, or vice versa.

e. Panama or Suez Canal transits - unless engaging in cargo activity or bunkering at both ends. (Embarking or disembarking of passengers or taking aboard fresh provisions shall not be construed as cargo activity.)

2. Computation of Time. When shifting ship under the circumstances which require the payment of overtime:

a. Time for Licensed Deck Officers, except the Licensed Deck Officer on watch, shall commence thirty (30) minutes prior to the scheduled time of the shift, and shall stop when the vessel is securely moored or made fast, or until relieved; and the Licensed Deck Officer on watch shall be paid overtime from standby to all fast or until relieved; provided a minimum of three (3) hours shall be paid for each call. If any scheduled shift is postponed for three (3) hours or more, the new shift shall be considered an additional call back for men off watch. It is understood that there will be no duplication or pyramiding of overtime and premium time by the Licensed Deck Officer receiving premium time for a regular watch and who receives the shift ship overtime minimum. (The "Licensed Deck Officer on watch" referred to in this paragraph is only applicable to the Licensed Deck Officer on night watch in foreign ports.)

(Continue to Page 39, Section XVII, Subsection 2 (b))

b. Time for the Master when shifting ship under circumstances requiring the payment of extra compensation including the applicable minimums shall commence at the same time as the other Licensed Deck Officers and shall cease when the vessel is all fast, except as hereinafter provided.

During shifts from Delaware River ports to Baltimore through the C&D Canal or vice versa, and shifts from Galveston to Houston or vice versa, the Master shall receive a minimum of four (4) hours' extra compensation, and if required on the bridge for more than the four (4) hours, his presence shall be logged and he shall receive such additional compensation as the log book may reflect.

c. If the Officers are called back at any time on Saturday, Sunday or a holiday, a minimum of four (4) hours' overtime shall be paid for each call. If any scheduled shift is postponed for the applicable minimum or more, the new shift shall be considered an additional call back.

d. If shift starts at or before 1700 during normal working hours and the shift is concluded after 1700, the shift minimum is payable. This shall not be applicable to the Licensed Deck Officers on duty in rotation unless he is relieved and subsequently called out.

e. For the purpose of this Section, a call back to haul ship shall be considered a shift.

f. Any Licensed Deck Officer called back for a shift from dock-to-dock shall be called out at both ends of the shift.

3. Required Duties While Shifting. The duties of Licensed Deck Officers used for shifting ship during overtime hours shall be limited to work necessary for the shifting of the vessel to the next berth. When shifting ship on overtime hours, if Licensed Deck Officers are required to do any work not directly related to shifting, they shall be paid at the penalty rate for time actually worked, in addition to overtime for the shift except that necessary work limited to cargo operations, including the supervision of tank cleaning shall be payable at the premium rate.

4. Port Relief Officer Duties. The duties of Port Relief Officers shifting the ship when required in accordance with Section XVI, shall be the customary duties of the regular ship's complement of Licensed Deck Officers.

a. A Port Relief Officer shall not be required to stand a navigational bridge watch in excess of four (4) hours without being relieved of duty by another Licensed Deck Officer or Port Relief Officer. If the shift exceeds four (4) hours, the Port Relief Officer shall assume the regular four (4) hours on and eight (8) hours off rotation prescribed for Sea Watches.

b. When the vessel does not dock before the end of his assigned period of duty, his pay shall continue until the vessel is secured at the dock, but shall not continue for more than two (2) hours beyond the normal end of his tour of duty unless he is required to maintain an alert watch.

c. A Port Relief Officer required to make the shift shall in addition to all other compensation be reimbursed ten (\$10.00) dollars per shift.

SECTION XVIII. PILOTAGE

1. Pilotage Qualifications. The Company and the Organization agree that while each Master should be qualified to pilot his vessel on the pilotage grounds over which the vessel trades, piloting is not a normal duty of a Master or any of the other Licensed Deck Officers. The Company agrees that obtaining or possession of pilotage endorsements shall not be a precondition to employment or a requirement for continuing employment.

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SECTION XVIII. PILOTAGE

2. Restriction on Pilotage. A Licensed Deck Officer serving aboard a contract vessel in a capacity other than pilot shall not perform pilot services in a United States port except in cases of emergencies, or unless a Memorandum of Agreement permitting pilotage to be performed has been executed between the Company and the Organization.

3. Pilot Preference. The Company agrees that in the hiring and use of pilots in U. S. ports to give first preference to pilots who are members of an affiliate or division of the Organization whenever and wherever on the effective date of this Agreement such affiliate or division exists for the purpose of providing pilot services.

4. Pilotage Compensation. When required to perform pilot services in other than an emergency, additional compensation shall be paid as follows:

a. U. S. Areas - none, except as stipulated in pilotage memorandum

b. Non-U. S. Areas - one (1) hour overtime for each hour of piloting with a minimum payment of two (2) hours for each move on the pilotage grounds.

5. Pilotage Grounds. Pilotage grounds shall mean that body of water upon which the vessel would be required by law, regulation, or decree of government to use the services of a pilot, or where pilots are available to be employed.

6. Assistance While Piloting. When the Master is required to perform pilot services during periods of restricted visibility, another Licensed Deck Officer in addition to the watchstander shall be stationed on the bridge to assist in the navigation and handling of the vessel or performing such other duties as the Master may direct. The presence of the additional Licensed Deck Officer on the bridge shall not be mandatory when the Master is piloting at other times.

7. Alaska Trade. Special conditions which apply to vessels in the Alaskan Trade may also be afforded to other contract vessels in the Coastwise or Intercoastal trades after appropriate negotiations.

a. Definition. Vessels in the Alaskan Trade are defined to mean those vessels in the domestic trade operating to and from U. S. Pacific Coast ports and Alaskan ports and does not include vessels operating in the Offshore Trade.

b. Pilot Required. On vessels operating in the Alaska Trade, not less than one Pilot shall be employed as a Licensed Deck Officer on vessels operating on scheduled voyages east of the eastern side of the entrance to Cook Inlet. Pilots shall not be required on voyages where the direct route is via the outside passage to Alaska Peninsula, Aleutian Islands or Bering Sea ports from and to Continental U. S. ports.

i. The Company shall have the right to select its own Pilot provided he is a member of the Organization. Wages, hours and conditions are subject to negotiations between the Parties.

c. Pilot not Carried. When a Pilot is not carried and during the voyage the vessel is required to proceed through the Inside Passage, the Master of such vessel shall receive after entering the Inside Passage and for the balance of the northbound or southbound voyage as the case may be, in addition to his regular rate of pay the basic monthly wages which would normally be paid a regular Pilot, or his normal overtime rate for the period of time he is actively engaged in piloting whichever shall be greater.

SECTION XVIII. PILOTAGE

8. Safe Boarding by Pilots. The rigging of pilot ladders and the embarkation and disembarkation of pilots shall be supervised by a Licensed Deck Officer. Pilot gear shall not be used for any other purpose.

SECTION XIX. LIVING CONDITIONS

1. Quarters. Each Licensed Deck Officer shall have his own individual state-room. All Officers' quarters shall be properly equipped with fresh running water, cleaned, heated and lighted at all times during occupancy. Each vessel shall provide a washroom and toilet facilities for the use of the Licensed Deck Officers only; this washroom to be equipped with fresh hot and cold running water, and fresh water shower facilities as well as sanitary drainage.

2. Linen Supply. The Licensed Deck Officers shall receive an adequate supply of towels, and blankets of good quality and adequate size. Clean bed linen will be provided weekly and in non-air conditioned vessels in the tropics, twice a week. When linen is not changed as indicated, each Licensed Deck Officer shall be compensated by two (2) hours' premium pay for each week (or half-week, where appropriate.)

3. Dining Facilities. Licensed Deck Officers, on other than passenger vessels, shall eat in the Officers' Dining Saloon. Each Officer shall be entitled to occupy his regular place setting at his customary table whether in port or at sea.

When in port, unauthorized Shoreside personnel will continue to observe and respect the privacy of the Officers' Dining Saloon and Pantry, and specifically, will not utilize these areas as a work space, lounge or recreation area. The present prohibition of unauthorized personnel partaking of "night lunch" and coffee in the Saloon Pantry is re-affirmed. When necessary to replace Officers' Pantry refrigerators aboard vessels after June 15, 1972, such refrigerators shall be stainless steel (or, if mutually agreed, other non-corrosive alloy material) and shall have a capacity of at least seven (7) cubic feet.

4. Food Standards. Adequate food, properly prepared and served shall be provided the Licensed Deck Officers. Fresh milk, bread, fruit and vegetables will be furnished at every port where available; and if supply is available, a sufficient amount will be obtained to last until the next port of call, or sufficient to last until the food would with ordinary good care, spoil. Frozen foods shall be considered the equivalent of, and serve the same purpose as fresh foods. Vessels shall be equipped with an icemaking machine of sufficient capacity to insure no shortage of ice in the Officers' Saloon. Food bought in foreign ports must be up to American health standards. The Organization reserves the right to negotiate a Food Program to insure contractual compliance with this subsection.

5. Meal Hours. Meals shall be served over a one hour period and a reasonable time of one-half hour shall be allowed in which to eat when the Officer is not late due to his own fault.

Meal hours may be varied not more than one hour in either direction to meet the operational needs of the vessel, or to permit the entertainment of shore personnel, passengers, VIPs, etc., provided adequate notice is given, with the exception that the dinner hour cannot be advanced.

6. Penalty Meal Hours. If for any reason, either at sea or in port, a Licensed Deck Officer is not permitted a full unbroken meal hour, (other than for emergencies or normal relieving for meals), he shall be paid one hour premium time in addition to any other compensation payable, and at least an unbroken hour upon completion of his work at hand.

If for operating necessity, the unbroken hour is unable to be granted, one hour penalty pay shall be paid in addition to any other compensation payable. In all instances, a hot meal must be provided.

7. Midnight Meals and Night Lunches. Adequate night lunches shall be available to Officers working night watches. A hot meal shall be served to Officers who work more than eight hours after 1700 or before 0800, or in lieu thereof, subsistence allowance in addition to any other compensation payable.

8. Coffee Time. A work break shall be taken and coffee time observed at 1000 and 1500, or at times near these hours.

9. Rest Periods. A Licensed Deck Officer who works between 0000 and 0800 shall be entitled to a rest period between the hours of 0800 and 1700 the same day for each hour worked. Failure to be allowed same, except for emergencies or required drills, shall be payable as described in Section XI.

10. Subsistence and Quarters' Allowance

a. When meals are not furnished as required by this Agreement, subsistence allowance amounting to ten dollars and fifty (\$10.50) cents per day (\$2.00 breakfast; \$3.00 for lunch; \$3.50 for dinner) shall be paid. The subsistence allowance for failure to provide a hot midnight meal shall be three (\$3.00) dollars.

b. When living quarters are not furnished as required in this Agreement, a room allowance of ten dollars and fifty (\$10.50) cents per night shall be paid for each Licensed Deck Officer for lodging claims in port and six dollars fifty (\$6.50) cents per night for lodging claims at sea.

No more than one (1) lodging claim shall be paid to any Licensed Deck Officer in any twenty-four (24) hour period.

c. The respective amounts due in (a) and (b) above may be adjusted to any other reasonable expenses incurred when substantiated by vouchers. The standard of reasonableness for respective ports will be established by mutual agreement between the parties.

11. Room Allowance - In port. When a vessel is in port and any of the following provisions are not met, room allowance shall be payable:

a. When heat, lighting facilities, regular sanitary facilities, or hot water facilities are not provided men off watch for a period of three (3) hours or over, and on air-conditioned vessels in hot weather when air-conditioning is broken down and no attempt is made to effect repairs on a timely basis. Also where fans are not provided on air-conditioned vessels, and air-conditioning is not available to men off watch for a period of three (3) hours or over during hot weather.

SECTION XIX. LIVING CONDITIONS

b. When the Officer's quarters have been painted and the paint is not absolutely dry, and other suitable quarters are not furnished aboard after appropriate relief has been requested of the Master or Senior Deck Officer, and not satisfied, and if the Licensed Deck Officer actually goes ashore.

c. At all times when vessel is on dry dock overnight, unless lodging with all facilities including heat, light, hot and cold running water and sanitary facilities are provided aboard the vessel. (Overnight shall mean after 1900 and before 0800).

When vessel is on dry dock at any time between 0800 and 1700, regular lodging allowance will be paid to Licensed Deck Officers on watch between 0000 and 0800.

d. When vessel is being fumigated and not cleared before 2100. In the case of the watchstanders on watch between 0000 and 0800, when such work is being done between 0800 and 1700.

e. When linen and clean blankets are not furnished upon request prior to 1800 on the day the Officer joins the vessel.

f. When (1) maintenance or repair work on ship or on dock (excluding operations involving cargo or stores) such as chipping, welding, riveting, hammering and/or pounding or other noises of similar nature is being performed within 100 feet of the house on the vessel or within 50 feet of the house on the dock at night, or, (2) in the case of the Licensed Deck Officer on the midnight to 0800 watch, when such work is being done between 0800 and 1600, provided the Officer shall be entitled to lodging allowance if he has notified the Master or Senior Licensed Deck Officer that such condition exists and it is impossible to arrange other comparable quarters away from the noise and the Officer actually goes ashore.

g. In port, in areas of the world where the customary practice is for port workers engaged in cargo-handling activities to live and eat aboard, the area assigned to them and any accompanying domestic livestock will be located as far as practicable from the Licensed Deck Officers' living quarters. Portable privies will be located at the extreme end of the ship from the Licensed Deck Officers' quarters. Regular daily washdowns of the deck will be effected. Failure on the part of the Company to comply with these requirements will require the payment of room allowance to all Licensed Deck Officers. The requirement that the Officer actually goes ashore to obtain room allowance payment shall not be applicable.

12. Room Allowance - At Sea. When any of the following conditions occur at sea, room allowance shall be paid:

a. When repair or maintenance work such as chipping, welding, riveting, hammering and/or pounding or other noises of a similar nature are being performed on board the vessel within one hundred (100) feet of the ship's house, between the hours of 1800 and 0800.

b. Except for forward of one hundred (100) feet and aft of one hundred (100) feet of the ship's house when repair or maintenance work such as chipping, welding, riveting, hammering and/or pounding is performed before the 1200 to 1600 watch is called, lodging allowance shall be paid to the Licensed Deck Officers who stood watches between 0000 and 0800.

c. When livestock such as pigs, cows, etc. are carried, the deck area where such livestock is carried shall be cleaned, washed down and drained overboard once every twenty-four (24) hours, weather permitting.

Area shall be defined to mean that portion of the deck around or under the livestock vans or pens that can be cleaned and washed down without wetting the livestock or the confines of the van or pen. Non-compliance will make Company liable for payment of room allowance.

d. On air-conditioned vessels where fans are not provided and air-conditioning is not available to men off watch for a period of three (3) hours or over in hot weather.

13. Existing Recreation Rooms. All vessels in service that were required to furnish an Officers' recreation room in prior agreements shall continue to maintain such recreation rooms in accordance with the provisions of such prior agreements, provided that upon replacement of existing television set, the replacement will be a U.S. made 21" color set. The new construction provision relating to the Officers' recreation room shall apply in the case of any vessel now in service which undergoes reconstruction after the date of this Agreement where there is a major alteration of the Licensed Officers' quarters.

14. Deck Office. Where a separate office is allocated to the Licensed Deck Officers for required vessel's work, such space will not be taken away and allocated to others.

15. Laundry Facilities. An automatic electric washer and dryer shall be provided for the Licensed Officers on all vessels, in the immediate vicinity of the Licensed Officers' quarters. Equipment shall be properly maintained and adequate spare parts to keep equipment operating shall be carried aboard the vessel. When any equipment cannot be repaired by ship's personnel, it shall be repaired at the first port where facilities and time permit.

SECTION XX. TRANSPORTATION

1. Transportation Defined

a. First class transportation on land is defined as follows:

i. Pullman transportation via rail with roomette on overnight trips.

ii. First class air transportation. When traveling by air, if first class transportation is not provided, when available, the Licensed Deck Officer shall receive the difference in cash between first class air travel and whatever class furnished.

iii. Bus facilities may be used when first class transportation by rail or air is not available.

b. First class transportation over water is defined as follows:

i. When sea transportation must be furnished, not less than cabin class accommodations shall be furnished when available.

c. When traveling over land or over water, Licensed Deck Officers shall have the option of traveling by air.

d. While traveling, ten dollars and fifty (\$10.50) cents per day shall be allowed for meals if not furnished.

SECTION XX. TRANSPORTATION

2. Transportation When Employment Ends

When a Licensed Deck Officer's employment ends by reason of (a) termination of Articles, or (b) termination of the voyage, or (c) the vessel's being sold, laid-up, withdrawn from service or abandoned, or (d) some cause other than his own fault, or (e) illness or injury, he is entitled to transportation to the port of his original engagement, and wages and subsistence at ten dollars and fifty (\$10.50) cents per day when not furnished. This subsection is also applicable to an Officer who is discharged for cause if he has completed his voyage and is then paid off.

3. Payment

a. Payment for transportation between U. S. ports shall be an amount of cash equal to the full cost of first class air fare, including tax, between the airport nearest to the port where the obligation to transport arose and the airport nearest the port of original engagement, plus ten dollars (\$10.00) for incidental expenses.

b. When transporting a Licensed Deck Officer from or to foreign ports, the Company shall furnish first class air fare ticket or cabin class steamship ticket plus ten (\$10.00) dollars for incidental expenses.

c. Unless the Officer has requested that the Company make his transportation arrangements for domestic travel at least twenty-four (24) hours prior to pay-off, Subsection 3(a) shall apply.

4. Port of Engagement. The original port of engagement is defined as the United States or Puerto Rican port in which the Officer was first employed by the Company, regardless of where or what type of articles were signed.

5. Coastwise Trade. Licensed Deck Officer on Coastwise vessels shall not be furnished transportation benefits to the original port of engagement as provided in Subsection 2(a) or 2(b) of this Section unless they have made a complete round voyage. Termination of coastwise voyage shall be deemed to take place in the port where the vessel's final yoff of her crew for the voyage takes place.

6. Travel for the Company.

a. A Licensed Deck Officer sent by the Company from one vessel to another or from one port to another, or when leaving or returning to his vessel from an involuntary leave of absence initiated by the Company, shall be paid his regular wages and travel expenses in accordance with subsection 3 above. Any other Licensed Deck Officer, when dispatched in accordance with Section II of this Agreement, when traveling from one port to another, shall be paid his regular wages, lodging and subsistence, unless furnished, and all reasonable travel expenses.

b. For local assignment, in accordance with Section II, to vessels within the jurisdiction of the port dispatching the Licensed Deck Officer, reasonable expenses shall be interpreted to mean the mutually established Port Relief Officer travel expense excepting that travel time, lodging and subsistence shall not be claimed, but reasonable out-of-pocket expenses will be paid.

SECTION XX. TRANSPORTATION

7. No Transportation. Transportation is not payable to a man discharged for cause before termination of his articles, or to a man separated from the ship by mutual consent before termination of his articles.

Nothing in this Section shall prohibit the payment of transportation benefits to any permanently employed licensed Deck Officer leaving the vessel for the purpose of vacation or voluntary leave of absence, should the Company elect to make such payment. Under these circumstances, the Licensed Deck Officer shall not be deemed to have been terminated. Any superior transportation provision of the previous contract shall continue to apply to permanent employees only.

8. Vessel Withdrawn from Service. When the services of a Licensed Deck Officer are terminated due to the vessel being withdrawn from service in a port other than his original port of engagement, he shall be paid transportation back to his original port of engagement. When the vessel is reactivated, the Licensed Deck Officers entitled to reassignment shall be paid transportation back to the vessel.

9. Excess Baggage. Licensed Deck Officers entitled to transportation to or from a vessel in accordance with the provisions of this Agreement shall be entitled to reimbursement for the cost of excess baggage. Such excess shall be limited to the necessary clothing, uniforms, sextant, and other navigation equipment required by his duties.

10. Preference for U. S. Flag Carriers. Where the Company undertakes to provide air or sea transportation in accordance with this Section, it shall be via U.S.-flag carrier wherever such facilities exist and are available on a timely basis. The same shall apply to air or sea freight shipments of personal effects.

SECTION XXI. DUTIES OF OFFICERS

1. a. The duties of Officers as set forth in different Sections of this Agreement are incorporated by reference in this Section.

The Parties agree that the duties of the Licensed Deck Officers, including Master, shall be maintained as supervisory and professional. It is also agreed that the duties of the Master, Chief Officer, Second Officer and Third Officer, or any other Deck Officer will not be assigned to any other person, licensed or unlicensed.

The duties of the Master, Chief Officer, Second Officer and Third Officer are separate and distinct in many areas and these differences shall be respected. However, the parties recognize that past practices have made some of the duties of the Licensed Deck Officers interchangeable, and this continues to be permissible as in the past.

b. The Master is the Licensed Deck Officer in command of the vessel at all times, subject to the lawful directives of the Company.

The Chief Officer is the Deck Department Head and, if qualified, performs the duties of the Master as necessary in his absence.

The Second Officer is normally the navigating Officer and, subject to the direction of the Master, is in charge of all navigational equipment.

The Third Officers stand a regular navigation watch at sea and assist in the normal operation of the vessel as directed by the Department Head.

2. The checking of cargo when shoreside checkers are not employed for this work or when Staff Officer personnel have not been customarily employed for this work in trades here it is and has been the practice for such personnel to perform such work, shall be licensed Deck Officer duties.

3. Port Relief Officers, when employed, shall perform the same duties required of the regular Licensed Deck Officers.

4. a. The duties of Licensed Deck Officers shall include the reading of cargo temperatures and humidity charts and the gauging, sounding or sampling of cargo tanks, and tanks dedicated to the carriage of wash water for tank cleaning purposes.

b. On liquid sulphur carriers where automatic recording and tell-tale alarms are located in other than Deck Department spaces for continual monitoring of cargo temperatures during transits, existing practices concerning temperature recordings shall continue.

5. a. Licensed Deck Officers shall have the shipboard supervision of all hull maintenance, cargo gear maintenance, lifesaving equipment, firefighting and safety equipment, and all cargo activity.

b. Licensed Deck Officers shall supervise the opening and closing of hatches, the spotting or trimming of cargo booms or any other type of cargo gear whatsoever. They may activate hydraulic and electric type hatch cover systems or any other type of shipboard cargo gear. They shall also supervise lining up to load and discharge liquid cargo including the connecting and disconnecting of cargo hoses, and the cleaning of liquid or bulk cargo tanks by any method whatsoever.

6. When Staff Officer personnel are not carried, the Licensed Deck Officers' duties shall include that clerical work required for the administration of the vessel or the Deck Department, but shall not extend to clerical work which is the direct responsibility of any other department aboard the vessel for the administration of that particular department.

SECTION XXII. JURISDICTION

1. The Organization shall have the jurisdiction over the work performed by the Licensed Deck Officers. For the safety of and the responsibility for the vessel, its passengers, the crew and the vessel's cargo, the Master or Licensed Deck Officer in charge shall have executive authority, to the extent permitted by law, over the vessel, its personnel, and all of its appurtenances. The executive authority of the Master or the Licensed Deck Officer in charge shall include vessel stability, damage control, lifesaving and firefighting equipment and emergency situations.

It is the purpose of this Section to preserve the jurisdiction of the Organization and not to encroach on the jurisdiction of the longshoremen or any shipboard organization.

2. Except as otherwise provided in this Agreement, only Licensed Deck Officers who are hired and kept in employment pursuant to Section II shall assume the responsibility or perform the duties of Master, Chief Mate, Second Mate or Third Mate on vessels of the Employer. Other vessel personnel or other shoreside personnel shall not be used to perform Licensed Deck Officer duties or work.

3. Specifically, the Organization, through the Licensed Deck Officers, shall have the jurisdiction over the operation of all equipment of the vessel pertaining to navigation (including pilotage, mooring operations and stability) and the exchange of navigational information utilizing the frequency or frequencies available in the area in which the vessel is operating for the exchange of navigational information including specifically, in accordance with applicable law, the bridge-to-bridge communication systems.

SECTION XII. JURISDICTION

The Master or Licensed Deck Officer in charge may direct any other Licensed Deck Officer to make such exchange of navigational information under the direction of the Master or Licensed Deck Officer in charge.

The Licensed Deck Officers shall also have the supervisory jurisdiction aboard the vessel over its cargoes and over the maintenance, inspection and upkeep of the hull, its cargo gear, cargo spaces, decks, deck houses, deck store rooms, and mast houses and other areas of the vessel that are now and customarily have been maintained by the deck department of the vessel. Control and operation of the console control apparatus on the barge crane of a LASH vessel, or any other cargo-handling mechanism on present vessels and on any newly constructed vessels, shall be under the supervisory jurisdiction of the Licensed Deck Officers.

4. The Organization, through the Licensed Deck Officers, shall have jurisdiction over the operation of all computer and related servo-mechanism functions aboard the vessel related to the navigation, including pilotage, of the vessel. The Organization, through the Licensed Deck Officers, shall have the jurisdiction aboard the vessel over the operation of all computer and related servo-mechanism functions which are concerned with the propulsion and control of the vessel that are located in the wheel house, bridge, chart room, gyro room or in other areas within the exclusive jurisdiction of the Licensed Deck Officers.

The Licensed Deck Officers shall have jurisdiction over the operation of all computer and related servo-mechanism functions and read-out equipment aboard the vessel related to any equipment, functions or duties under the jurisdiction of the Licensed Deck Officers, including, for example, cargo activity, stability, lifesaving and firefighting equipment and emergencies as spelled out in this Agreement.

5. The Master or Licensed Deck Officer in charge of a watch shall not permit any person to operate or control any of the equipment mentioned or related thereto which is under the jurisdiction of the Licensed Deck Officers, unless said person is a Licensed Deck Officer or is a crew member acting under the direct orders of the Master or Licensed Deck Officer; provided that the maintenance or repair of said computer or related servo-mechanism is being performed as directed by the Master or Licensed Deck Officer, the operation and control of the computer or servo-mechanism shall be permitted in connection with such work. If such operation of the computer or servo-mechanism is undertaken by a person other than the Licensed Deck Officer or the Master, in the regular course of maintaining or repairing said computer or related servo-mechanism, then in such case an entry reciting the time and date said operation is exercised shall be made in the Deck Log Book by the Licensed Deck Officer on watch.

6. If, during the term of the agreement, scientific advancements lead to the installation aboard vessels of computers, related servo-mechanisms, or any type of innovation which performs functions under the jurisdiction of the Licensed Deck Officers, or under the supervision and direction of the Licensed Deck Officers, such functions and such supervision and direction shall remain under the jurisdiction of the Licensed Deck Officers.

7. Location of Equipment

a. Shipboard read-out equipment of the vessel pertaining to navigation, pilotage, shifting or other vessel movement, by whatever method, shall be located in an area under the supervision and control of Licensed Deck Officers.

b. Shipboard remote control equipment pertaining to mechanical mooring devices, anchors, gangways, and such equipment pertaining to cargo activity (except such equipment located in the engine department areas or areas common to both engine and deck departments) shall be located in areas which are under the supervision and control of the Licensed Deck Officers.

8. The Master or Licensed Deck Officer in charge shall have the authority to direct that maintenance or repair of equipment be undertaken by the department responsible for said maintenance and repair. However, nothing in Section XXII, Jurisdiction, shall be interpreted to mean that the Master or Licensed Deck Officer shall perform any maintenance or repair of equipment which customarily has been the responsibility of another department aboard the vessel.

9. Where a Purser Marine Physician Assistant, Purser or Purser Pharmacist is not carried, those of his duties presently performed by the Master and the Licensed Deck Officers on vessels whose manning does not include said Staff Officer rating, and which the Company elects to continue to have performed aboard the vessel, shall remain the responsibility and jurisdiction of the Organization except that medical duties shall continue to be performed by Physicians or Nurses when they are part of the ship's complement.

10. Nothing contained herein shall be interpreted to infringe upon functions that have been under the control and direction of shoreside management except that it is expressly understood that shoreside management must recognize and comply with the jurisdiction provisions of this Section.

SECTION XXIII. CARGO ACTIVITY - TANKERS

Part of the duties of Licensed Deck Officers employed under this Agreement are the supervision of cargo activity to ensure the safe handling, stowage and carriage of cargoes. No additional compensation shall be due any Licensed Deck Officer during his regular duty hours except as may be described in this Agreement.

It is understood that during all cargo activity, a minimum of a full deck watch shall be on duty. In addition, a pumpman shall be on duty as circumstances require.

When required to perform duties of a non-supervisory nature or other cargo-related duties as may be described in this Section, a Licensed Deck Officer shall receive, in addition to any other compensation payable, the penalty rate as described below. Proper log entries shall be made which adequately explain the circumstances requiring the performance of this work to support payments due.

1. Longshoremen Unavailable. When longshoremen are unavailable, and the Licensed Deck Officer is required to actively supervise crew members engaged in cargo activity, he shall be compensated at the penalty rate provided the sailors are receiving the cargo rate of pay. Additional compensation shall not be payable when crew members add to existing lashing or shoring, either in port or at sea, or remove lashings prior to docking. (This shall only apply to tankships in the Dry Cargo trade and/or carrying containers or removable piggyback tanks.)

2. Unlicensed Personnel Work. In the event a Licensed Deck Officer is required to do any of the work commonly assigned to unlicensed personnel connected with cargo activity, the penalty rate shall be payable. Proper log entries shall be made which adequately explain the circumstances requiring the performance of this work to support payments due.

3. Dry Cargo or Containers. When tankers carrying containers, removable piggy-back tanks or dry cargo are engaged in the loading or discharging of this type of cargo, an additional Licensed Deck Officer will be on duty to supervise these operations when liquid cargo or tank-cleaning operations are also being conducted.

4. Cleaning of Cargo Compartments.

a. Tank Cleaning. Supervision of tank cleaning of any nature shall continue to be part of the regular duties of Licensed Deck Officers. No additional compensation shall be payable during regular duty hours unless the Officer is required to handle equipment or run pumps or other unlicensed personnel work, in which case the penalty rate shall be payable.

b. Extremely Dirty Spaces. When required to enter extremely dirty spaces which contain substances of a dirty or noxious nature, in a supervisory and/or inspection capacity, where it is impossible to avoid direct contact with such substances, the penalty rate shall be paid.

c. Tank-Cleaning Equipment. Tank cleaning of any nature shall require the use of explosive meters, oxygen indicators or chemical meters, as appropriate. All equipment used in tank cleaning shall, where possible, be bonded. This shall include, but not be limited to, butterworth and pyrate machines, washdown hoses, portable pumps, blowers and the like.

d. Safety Equipment and Protective Clothing.

i. U. S. Coast Guard-approved type safety equipment for the particular cargo carried shall be provided to protect the Officer's health and safety. Failure to comply with this provision will entitle the Officer to lawfully refuse to participate in the handling of such cargoes.

ii. Clean coveralls, rubber boots and gloves shall be provided to protect the Officer's body and clothing. Failure to comply with this provision will entitle the Officer to replace any item of clothing rendered unusable at Company expense upon submission of proper vouchers after having demonstrated proof of loss to the Master.

5. Safe Operations. In all loading and discharging operations, the Chief Officer shall be afforded sufficient latitude in using Officers or crew members to conduct safe operations, consistent with Company policy and practice.

6. Radioactive Materials. If, during the term of this Agreement, it is considered necessary to cover the handling of radio-active materials which may be classified as dangerous, the matter shall be referred to the Joint Safety Committee and after appropriate review, the subject will be negotiated and any settlement reached will be included as part of this Section.

7. a. Transfers between Ships at Sea on Tankers. When fuel and/or cargo, personnel or stores are transferred from one vessel to another while at sea, the following minimum conditions and rates of pay shall apply:

i. not less than four (4) Licensed Deck Officers shall assist the Master in the transfer;

ii. the Master and other Licensed Deck Officers shall be on duty thirty (30) minutes before the time the transfer operation is to commence, and shall remain on duty until the operation is completed and the vessels are clear and equipment secured;

(tanker)

SECTION XXIII. CARGO ACTIVITY - TANKERS

iii. during the entire operation, the Master and two Licensed Deck Officers on watch shall remain on the bridge unless required elsewhere;

iv. the Chief Officer shall be on deck in charge of the actual transfer operation;

v. One other Licensed Deck Officer shall assist the Chief Officer on deck. Suitable firefighting and communication equipment shall be available for instant use. During these periods, overtime shall be paid to all Licensed Deck Officers who are engaged in the transfer operations including the regular watchstanding Officers or Officers on duty. The Masters of the vessels involved in the transferring operation shall receive wage-related overtime for the period as outlined above.

b. For each eight (8) hours earned while the above-mentioned operation is in effect, the Master shall have the option to accrue one (1) extra day of vacation, which shall be a covered day of employment. If the Master elects to receive the compensation in cash, payment shall be made through the Vacation Plan when he submits the appropriate vouchers.

SECTION XXIV. EXPLOSIVES AND TOXIC CARGOES - TANKERS

The Company shall forward information on the proper stowage, carriage, and handling of hazardous cargoes to those vessels where Licensed Deck Officers are involved in the transport of such cargoes. Copies of such information will be forwarded to the Organization and the Maritime Institute of Technology and Graduate Studies.

SECTION XXV. EMERGENCIES.

1. a. Members of the Licensed Deck Department shall perform the necessary and customary duties of that department. Any work necessary for the safety of the vessel, passenger, crew or cargo, or for the saving of other vessels in jeopardy and the lives therein, shall be performed at any time, and such work shall not be considered overtime. Emergency will be deemed to exist when all hands are summoned by the prescribed emergency signals and shall continue until all hands are officially dismissed.

b. In the event all hands are not called out in an emergency, all Licensed Deck Officers off watch shall be paid overtime for any work performed and in accordance with the applicable overtime sections of the Agreement.

c. No provision in this Section shall preclude any salvage claims the Licensed Deck Officers might otherwise be entitled to under maritime law.

SECTION XXVI. MAINTENANCE AND CURE - UNLAWFUL INJURIES

1. Licensed Deck Officers who are entitled to maintenance under the general maritime law doctrine of wages, maintenance and cure, on account of injury or illness incurred in the service of the ship, shall be paid maintenance at the rate of eight (\$8.00) dollars per day to be paid weekly.

2. Wages, maintenance and cure under such doctrine will not be withheld in any case merely because the claimant has also submitted a claim for damages or has filed suit therefor, or is taking steps to that end.

3. In the event a Licensed Deck Officer must leave his vessel in any port because of illness or injury incurred in the service of the vessel, and under circumstances which would entitle him to maintenance and cure payments, he shall promptly receive a full statement of his account, showing the wages due him, including approximate overtime and bonus payments. Further, he shall receive eight (\$8.00) dollars per day maintenance and cure commencing with the time of his discharge from a hospital, even if such discharge is for transfer to another hospital for the period of time he is on outpatient status. This eight (\$8.00) dollars per day maintenance and cure shall be paid weekly by the vessel's agent in whatever port the Licensed Deck Officer happens to be. An advance against unearned wages shall also be paid weekly in an amount equal to ninety (90%) percent of the net weekly wages.

(Section XXVI - continue to page 53, subsection 4.)

SECTION XXVI. MAINTENANCE AND CURE - UNEARNED WAGES

4. During the period referred to in the preceding paragraph, when a Licensed Deck Officer in a foreign port is awaiting return transportation, the eight (\$8.00) dollars per day shall be paid at least weekly by the Company to cover the expense of lodging and subsistence, provided the U. S. Consul does not simultaneously advance money for the same purpose. However, if the Company is required to furnish lodging and subsistence because the eight (\$8.00) dollar advance is not used by the Licensed Deck Officer for this purpose, the cost to the Company may be debited against wages earned or unearned, up to but not exceeding the sum of eight (\$8.00) dollars per day. If the Licensed Deck Officer is unable to obtain lodging and subsistence for eight (\$8.00) dollars, upon request, the Company will furnish the same, but not be obligated to pay the eight (\$8.00) dollars in addition thereto.

5. If a Licensed Deck Officer is hospitalized, the Company will honor a letter signed by the Licensed Deck Officer, assigning to a beneficiary designated by him, in accordance with the regulations covering allotments, all or a specified portion of unearned wages due said Licensed Deck Officer.

6. The payment of Maintenance and Cure or unearned wages when denied, may be taken up on its merits under the grievance procedure of the Agreement providing a reasonable period of time has been allowed to the Company to ascertain the facts involved and no such issue may be submitted to arbitration unless the individual Licensed Deck Officer involved agrees that the Arbitration Award shall act as a complete and final substitute of any claim for maintenance and cure or unearned wages.

7. The sole fact that a Licensed Deck Officer has made a claim for maintenance and cure, unearned wages, or for damages resulting from illness or injury, shall not constitute just cause for discharge or denial of reinstatement, or rejection for employment.

8. The Master shall be entitled to maintenance and cure benefits and unearned wages in the same manner as any other Licensed Deck Officer.

9. The use of medical services or facilities by a Licensed Deck Officer, including the Master, other than those provided by the United States Public Health Service, shall not constitute a bar to the payment of maintenance and cure, or unearned wages. The Company shall retain the right to have the Officer who is receiving unearned wages or maintenance and cure payments examined by the U. S. Public Health Services, closest to his home, or an independent medical facility designated by the Welfare Plan, in the city where the Officer resides provided that all normal expenses incurred by this option shall be borne by the Company.

SECTION XXVII. HOLIDAYS

1. Holidays. The following shall be recognized as holidays:

New Year's Day	Labor Day
Lincoln's Birthday	Veterans' Day
Washington's Birthday	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	

Where, by reason of national legislation, a holiday provided under this contract is celebrated on a day other than the date on which it would otherwise fall, such day provided by national legislation shall be recognized as the holiday under this contract. Holidays already changed by national legislation are as follows:

SECTION XXVII. HOLIDAYS

Lincoln's Birthday; Washington's Birthday;
Memorial Day; Veterans' Day.

2. Holiday Work. The overtime rate of pay shall be paid Licensed-Deck Officers who perform work on any of the nine (9) holidays described above, and any of such holidays falling on Saturdays, or Sundays, shall be observed on the following Monday. No double overtime shall be paid for work performed attributable to holidays falling on Saturdays or Sundays.

3. Voting Time. When a vessel is in a U. S. port on any general Election Day, Licensed Deck Officers who are qualified registered voters shall be afforded two (2) hours to vote.

4. Local Holidays. When in ports of the United States, the Licensed Deck Officers shall be granted any additional holidays granted by the Company to the long-shoremen in such ports. This shall not be applicable to tankers except when engaged in the grain, dry bulk or dry cargo trade.

SECTION XXVIII. VACATIONS

1. a. The Agreement and Declaration of Trust establishing the MM&P Vacation Plan, MM&P Tanker Vacation Plan and MM&P-PMA Vacation Plan, each is hereby extended through June 15, 1976. The Company agrees to contribute at a rate sufficient to meet the cost of vacation benefits earned, administrative costs and taxes, if any, applicable to such benefits.

b. It is the intention of the parties that the MM&P-PMA Vacation Plan shall be merged with the MM&P Vacation Plan, which will be the surviving program to provide benefits for service on and after June 16, 1972. It is further agreed that the parties will establish a committee to decide the conditions and timing of a further merging of the MM&P Tanker Vacation Plan with the MM&P Vacation Plan.

c. For all covered employment on and after June 16, 1972, the vacation benefit under the MM&P Tanker Vacation Plan shall be sixteen (16) days for each thirty (30) days of said employment, except as provided in (d) and (e) below.

d. Each Licensed Deck Officer, including the Master, employed on a vessel which is designed primarily as a container carrier, barge carrier, automobile carrier, roll-on, roll-off or OBO vessel, shall receive fifteen (15) days' vacation for each thirty (30) days of employment on said vessels.

e. In addition to the benefits provided above, each Master shall be entitled to vacation benefits equal to five (5) days for each thirty (30) days of employment.

f. Any Licensed Deck Officer who fails to take his vacation and days off as required under the provisions of Section II and this Section XXVIII, shall be denied all vacation credits and benefits for the period of unauthorized employment. The monies so withheld shall be deposited in an MM&P Special Welfare Fund.

SECTION XXVIII. VACATIONS

g. No Licensed Deck Officer shall be re-employed prior to the expiration of his vacation period and additional days off without the express written consent of the Organization.

h. The amount of vacation benefits shall be prorated in accordance with the average base rate of pay (which shall include non-watch allowance) received by the Employee in the period used for computing eligibility. It shall also be prorated in accordance with the vacation schedule(s) applicable to the vessel(s) upon which he was employed. (This shall not be applicable to Port Relief Officers employed on a monthly basis.)

i. Licensed Deck Officers applying for vacation benefits shall apply for benefits on all employment at time of filing. A Licensed Deck Officer's failure to apply on all such employment shall cause him to lose vacation benefits on such period, the amount of which shall be deposited in an MM&P Special Welfare Fund.

2. Notwithstanding the provisions set forth in Section II of this Agreement, the parties agree that the number of days of time off without pay in each contract year as required by Section II may, at the discretion of the Organization, be reduced to such number as the Organization may determine. Any such reduction shall remain in effect for such period of time as the Organization, in its discretion, may determine. The Trustees of the Vacation Plan shall make such rules as may be required to place into effect this provision of the contract. The purpose of any such adjustments shall be to meet the impact of unemployment for the distribution of available employment in an equitable manner.

3. At the commencement of a voyage or at the commencement of a pay period, a Licensed Deck Officer who is part of the complement of a vessel shall have the option to waive overtime payments during said voyage or pay period and, in lieu thereof, accrue additional days of vacation. Such days of vacation shall correspond to the amount which he would have earned as overtime divided by the daily vacation benefit of the Employee, plus the Company's daily pension contribution for said vacation day. Said additional vacation shall be taken by the Employee immediately following a vacation period.

(The parties shall meet to establish procedures for the implementation of this provision, and the circumstances under which it can be exercised.)

4. a. The Company agrees not to employ any Licensed Deck Officer who is receiving vacation benefits under this Section. This is not intended to prevent a Company from utilizing the expertise or service of an Officer as a witness or representative of the Company in litigation or hearings. In this latter circumstance, the required vacation days will be extended for the period the Officer is needed.

b. In the event a Licensed Deck Officer is required to serve as a Port Relief Officer to meet the manning requirements while receiving vacation benefits, his return-to-work date from vacation shall be extended one day for each eight (8) hours' employment.

5. a. The Parties agree that the MM&P Tanker Vacation Plan shall make the necessary arrangements to provide facilities in the Organization's Hiring Halls in the ports designated by the Organization for the payment of monies due to night, weekend, and holiday Port Relief Officers, and Port Relief Officers employed on a monthly basis.

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SECTION XXVIII. VACATIONS

b. Employment as a Port Relief Officer shall not be deemed employment for the purpose of computing vacation benefits. It is understood that an amount equal to said vacation benefit has been included in the hourly rate for such employment.

c. The Parties agree that contributions by the Company to the MM&P Pension and Welfare Plans and credits for such employment by Port Relief Officers shall continue on the same basis as under the previous collective bargaining Agreement (which has been extended herein).

6. a. Vacation days as applicable provided under this Agreement shall be paid through the Vacation Plan.

7. The Company agrees that Union dues, initiation fees and assessments may be deducted by the Administrator of the MM&P Vacation Plans from each vacation benefit payment received by members of the Organization, in such amounts as may be due under the Organization's Constitution, for each member who executes a written authorization permitting such deduction to be made. The sums deducted will be remitted to the Secretary-Treasurer of the Organization. The Organization will provide the necessary authorization forms and deliver the signed forms to the Administrator of the MM&P Vacation Plan.

8. Notwithstanding any other provision in the Agreement, it shall be a condition of employment, and/or registration for employment, that all Employees and prospective Employees covered in this Agreement who are not members of the Union, shall be required to pay a service fee of \$75.00 or such other amount as may hereafter be agreed upon, at the time of registration and no more frequently than on a calendar quarterly basis thereafter, payable in advance, plus a service fee of 6% of the gross amount of each vacation benefit received for work performed on MM&P contract vessels on or after June 16, 1972, in addition to the \$75.00 or other quarterly fee, in consideration of the services performed by the Organization, including the negotiation and enforcement of collective bargaining agreements, the maintenance of employment offices, and other Organization activities performed for the general interest of all Employees in the bargaining unit. The failure to pay such quarterly service fees shall be sufficient ground for removal from the Organization assignment list and shall nullify any prior assignment therefrom. The Administrator shall deduct from the vacation benefits of non-Organization Employees and pay to the Secretary-Treasurer of the Organization amounts equal to the service fees required to be paid by such non-Organization Employees pursuant to this Section. The sums deducted will be remitted to the Secretary-Treasurer of the Organization. The Organization will provide the necessary authorization forms and deliver the signed forms to the Administrator of the MM&P Vacation Plans.

The Organization agrees to indemnify and hold harmless the Employers or Companies from any and all liabilities which they or the MM&P Vacation Plans may have as a result of dues paid to the Organization from the vacation pay of Licensed Deck Officers.

SECTION XXIX. PENSION AND WELFARE PLANSA. WELFARE

1. The documents establishing and constituting the MFP Pension and Welfare Plan (herein Welfare Plan), as amended, are extended through and including June 15, 1976.

The Companies agree to contribute to the MFP Welfare Plan in accordance with the provisions of the Plan, as amended, and the Companies also agree to guarantee the benefits which are provided by the Plan, and will pay any additional contributions necessary to provide such guaranteed benefits.

2. a. The funds set aside in the newly-created MFP Special Welfare Fund are subject to allocation by the Organization and shall remain separate and apart from other funds in the MFP Welfare Plan until disposed of according to the decision of the Organization.

b. Separate and apart from 2 (a) above, the Companies agree to make the necessary contribution to the MFP Welfare Plan to meet the cost of the benefits, the administrative costs and to maintain such reserves as may be necessary under applicable law and maintain the Plan on a sound actuarial basis.

3. Effective January 1, 1973, the Trustees of the Plan(s) shall make the following changes in the program of benefits:

a. All dental allowances shall be increased fifty (50%) percent and allowances for orthodontic work shall be added at a reasonable level.

b. (1) Under the conditions set forth in this paragraph, pensioners and their dependents, as defined in the Welfare Plan, shall be entitled to those benefits enumerated in paragraph (b) (2) below. These conditions are (i) the pensioner must be less than sixty-five (65) years of age and not entitled to Medicare benefits, and (ii) the pensioner must not be gainfully employed and receiving compensation above the minimum allowed under Social Security, and (iii) the pensioner's dependent spouse or other dependents must not be gainfully employed and receiving compensation above the minimum allowed under Social Security, and (iv) the dependent spouse is not entitled to Medicare, and (v) the dependent child was born prior to the effective date of the pension, and in the case of a step-child or adopted child, such relationship must have existed at the effective date of the pension.

(2) Those pensioners and their dependents who meet the conditions set forth in paragraph (b) (1) above, shall be entitled to the following benefits as more fully described in the basic Plan for active Employees:

Medical Expense Benefits
Hospitalization Benefits
Surgical Benefits
Medical Expense Benefit (Doctor Visits)
Laboratory and X-ray Benefits
Polio Benefits
Cancer Benefits
Major Medical to \$5,000.00 - lifetime
Excluded Illnesses
Mental Illness
Optical Benefits

SECTION XXIX. PENSION AND WELFARE PLANS

c. Each Licensed Deck Officer shall receive credit for eligibility purposes at the rate of one (1) day for each day he is on the Company's payroll. (This eliminates the 2 for 1 eligibility credits.)

d. Extended death benefits shall only be paid to immediate family of a deceased Employee.

e. The Trustees of the MM&P Welfare Plan are directed to make the necessary amendments to the Welfare Plan documents so that, effective June 16, 1973, the eligibility requirements and benefits provided for under the MM&P Welfare Plan are the same as the eligibility requirements and benefits provided for under the MM&P-PMA Welfare Plan.

B. PENSIONS

1. The Employers shall continue to contribute to provide pensions to Licensed Deck Officers in accordance with the MM&P Pension Plan, as amended.

2. The Parties agree to continue in force and in effect to and including June 15, 1976, the Pension Plan and its Trust indenture and other Plan documents, established by the Parties, conditional upon continued approval by the Internal Revenue Service on the subject of Federal Income Tax deduction only.

3. The benefits and eligibility rules of the MM&P Pension Plan in effect under the Agreement as of June 15, 1972 and as further amended in accordance with the provisions of this Agreement and specifically subject to the provisions of subparagraph 4 herein below with respect to the MM&P Pension Plan, shall continue in effect.

4. Each Company agrees with respect to the MM&P Pension Fund:

a. For each of the contract years there shall be contributed to the MM&P Pension Plan a minimum amount to be measured by the rate of contribution to the Pension Plan as has been determined by the Trustees of the Pension Plan to be in effect as of June 16, 1969, on which contributions were made to the Pension Plan by the Contributing Employers within the fiscal years ending January 31, 1966, 1967 and 1968. The actuary to the Pension Plan shall determine semi-annually the number of man days on which contributions have in fact been made for the preceding period and the rate of contribution shall be increased by the Trustees if necessary to assure receipt by the Pension Plan for each contract year of the annual minimum income in accordance with the foregoing obligation. The Trustees in their discretion may extend such period of a contract year to eighteen (18) months. Any surplus in the Pension Fund generated as a result of this provision may not be applied for improvements in existing benefits, eligibility rules or the establishment of new benefits under the Pension Plan. "Surplus" as used herein shall be deemed to be the amount received by the Pension Fund in excess of that required to meet the cost of current credits, interest on unfunded liability, administrative costs and amortization of the past service liability under the 15-25 year funding agreement between the Parties hereto which is part of the Agreement.

SECTION XXIX. PENSION AND WELFARE PLANS

b. In the event the Actuary to the Pension Plan ascertains as part of his periodic reviews that the number of man days for which contributions have in fact been made for the preceding period is greater than the pro rata number of days for the same period of time under the annual three (3) year average as provided above, and so reports to the Trustees, the rate of contribution shall be changed by action of the Trustees within the following requirements: The assured annual income to be received by the Pension Plan must not be:

- i. less than the minimum guarantee provided for in 4(a) above, nor,
- ii. less than an amount equal to the cost of current credits, interest on unfunded liability, administrative costs and for funding as covered in the 1967 15-25 year funding agreement between the Parties hereto, and which continues in full force and effect.

c. Nothing provided for in subparagraphs 4(a) and 4(b) above shall be construed as modifying or changing in any way, the obligations of the Employers under the Agreement to make such additional contributions as may be necessary to fund the Plan in accordance with the funding provisions of the Agreement.

d. There shall be no unilateral change of any contribution rate which has been agreed upon by the Trustees of the Pension Fund.

e. Any monies hereafter received in the MMP Pension Plan which may be designated as part of a Special Pension Fund or which may hereafter be received by the Pension Fund for allocation to a Special Pension Fund shall not be included for any purpose in the computation made under subparagraphs 4(a), 4(b), or 4(c) above. Any such Special Pension Fund shall be used exclusively and solely for such legal purposes as may be determined by the Organization.

5. Effective as of June 16, 1969, the Employers shall increase their rate of contribution to the MMP Pension Plan by an amount, over and above that which they are presently obligated to contribute under the outstanding collective bargaining agreements (which present obligation is not intended to be modified or changed in any manner by virtue of this paragraph) equal to what the Actuary of the Fund shall determine to be necessary to fund on a twenty-five (25) year basis from June 16, 1967, all accrued liability for all prior service for the program of pension benefits under the MMP Pension Plan which has already been approved by the Trustees of the Fund.

Such increase in contribution shall be allocated only for said purpose. In such computation the funding of the Fund shall not be deemed to include contributions made by Employers in connection with positions on vessels within the applicable contractually required manning scale but not filled by regular Licensed Deck Officers.

With respect to any Company whose fleet at any one time (vessels owned by the Company) averages more than twenty (20) years (from date of construction or major reconversion) the foregoing additional contributions while such condition obtains shall be based on a funding within fifteen (15) years.

SECTION XXIX. PENSION AND WELFARE PLANS

The Actuary to the Fund shall make an annual report to the Trustees certifying as to the appropriate rate to accomplish this objective.

6. The MMP Pension Plan shall be amended in the following respects:

a. A new pension benefit shall be established after thirty (30) years of credit amounting to \$470 per month or 60% of pay, whichever is higher. In order to be eligible for the thirty-year pension, an Employee must accrue two years of credit subsequent to June 15, 1972.

b. Effective January 1, 1973, a Licensed Deck Officer shall be given a year's pension credit for each calendar year in which he is employed prior to reaching age 65 for at least 280 days in Covered Employment. If, in a calendar year he was employed, prior to reaching age 65, for less than 280 days in Covered Employment, he shall receive pension credits in quarter-year units, as follows:

<u>Days of Covered Employment in the Calendar Year</u>	<u>Quarters to be Credited</u>
Less than 70	none
70 to 139	1
140 to 209	2
210 to 279	3
280 and over	4

C. GENERAL PENSION AND WELFARE CONDITIONS

1. The Trustees of each of the MMP Plans are authorized if they so decide, provided a majority of the Employer Trustees agree, to require a bond or other security to be posted by any Company which in the judgment of the Trustees, is required to ensure full payment of all compensation to their covered Employees and their required contributions to said Plans as provided for in the collective bargaining agreement.

2. A "Contributing Employer", "Covered Employees", and "Covered Employment" under the MMP Pension and Welfare Plans, may include, as determined by the Trustees in accordance with the Rules and Regulations promulgated thereunder but subject to the requirements of, and to the extent permitted by, applicable law: (a) Employers who are obligated by collective bargaining agreement to make the necessary contributions to the Plans in behalf of covered Employees; (b) covered Employees in whose behalf an Employer has been obligated to make contributions which may embrace pensioners who had, prior to retirement, been in covered employment; (c) the MMP Pension, Welfare and other Plans which are hereby authorized to make the required contributions as contributing Employers, in behalf of their respective Employees, on such basis as may be determined by the Trustees; (d) the International Organization of Masters, Mates and Pilots, and subordinate bodies of the Organization, which are hereby authorized to make the required contributions as contributing Employers, in behalf of their respective Officials, Employees and Representatives, on such basis as may be determined by the Trustees, and (e) covered employment shall mean employment for which an Employer is obligated to contribute to any or all said Plans and for the purpose of eligibility shall include periods of time preceding the date when the Employer became so obligated as may be determined by the Trustees.

3. Effective for employment on and after January 1, 1973, or at such later date that may be agreed upon, the Companies' contributions to the MMP Pension Plan shall be converted from a dollar per man per day payment to a percentage of base rate payment with the understanding that the aggregate obligation of the Companies or the total contribution to the Plan will not be affected by the change to a percentage contribution. The Parties shall meet to work out procedures for implementing this change.

4. In the event of legislation affecting the MMP Pension Plan, the Companies agree to make such additional contributions as are actuarially deemed to be necessary to enable the Pension Plan to comply therewith.

5. Any sums payable to any Licensed Deck Officer under the provisions of this Agreement, which are not claimed by the Officer within six (6) years after the amount becomes payable shall be paid by the Employer to an MMP Special Welfare Fund.

6. In accordance with past practice, all incurred expenses of any Arbitration dispute, including counsel fees, shall be paid by the involved MMP Plans, and the various Plan documents shall be so amended.

7. The Parties agree to establish a Joint Committee for the purpose of determining the feasibility of a merger of the MMP-PMA Pension Plan and the MM&P Pension Plan.

8. The Trustees shall make whatever amendment may be necessary in the Pension Agreement and Regulations to permit the deduction by the Administrator of 3% of a pensioner's monthly payment to be paid over to the Organization's Pensioner's Action Fund, upon receipt by the Administrator of an authorization therefor executed by the pensioner.

9. Pensioners will be prohibited from working at any job in the maritime industry after a pension is awarded; except the Trustees may permit re-employment in shoreside positions covered by a collective bargaining agreement of the Organization.

10. The Fund shall provide the option of a survivor's pension (including "pop-up" option) to a surviving widow who has been married to the pensioner for at least five (5) years immediately prior to the date of his retirement. The survivor's pension shall be in an amount actuarially computed in accordance with existing benefit levels. The option must be exercised at least two years prior to the date of retirement.

SECTION XXX. TRAINING

1. The parties agree to continue the training program known as the Maritime Advancement, Training, Education and Safety (M.A.T.E.S.) Program and to extend the Agreement and Declaration of Trust to and through June 15, 1976. The Program is to be financed in this manner:

a. Each Company which is participating in the Program shall pay into the M.A.T.E.S. Fund an annual contribution of one thousand (\$1,000.00) dollars for each vessel that is under contract with the Organization on each anniversary date of the contract.

b. Each Company shall pay into the M.A.T.E.S. Fund a daily contribution rate of \$6.04 for each day worked for all covered Employees.

2. The Parties agree to discuss further implementation of the MM&P Apprentice Licensed Deck Officer Training Program.

SECTION XXXI. SEVERANCE PROGRAM

1. The parties agree that all of the terms and provisions of the Shipman Arbitration Award, dated July 9, 1959, which established the severance program, and all of the subsequent supplementary arbitration awards relating thereto, shall be deemed to be incorporated as part of the Agreement, subject to the changes hereafter set forth.

2. The Company agrees that it must first make the necessary arrangements with the Organization for the escrow of such monies as may be due under the Shipman Award, in any case which falls within said Award, before it can make any transfer of a vessel out of American registry.

3. Any monies which may be due under the Shipman Award, as herein modified, shall be deemed to be wages and all legal actions available to collect wages shall be available to recover any such monies due.

4. When severance is payable, the monies due shall be paid to the MM&P Joint Employment Committee, and shall not be paid to individuals under any circumstances.

5. A calculation of severance pay, under the terms of the Shipman Award, shall be made with respect to each Licensed Deck Officer's position below the rank of Chief Officer on each of the Company's vessels as if the said vessel were transferred out of American registry on their last day of covered employment as a permanent Employee of the Company, and severance was payable. The said amount thus calculated shall be deemed to be a "vested" amount payable as severance whenever and if the vessel is ultimately transferred out of American registry.

SECTION XXXII. JOINT EMPLOYMENT COMMITTEE

The establishment of the Joint Employment Committee is hereby confirmed and the Company agrees to continue or to commence, as the case may be, its contributions to the said Committee as hereinafter described.

The monies so contributed shall be available for the sole and exclusive purpose of defraying the cost and expense of the operation and maintenance of the employment offices operated by the Organization, from which the Company obtains its Licensed Deck Officers in accordance with the provisions of this contract, and the cost of administration incurred by the Committee.

The Company agrees, effective June 16, 1972, to contribute fifteen (15¢) cents per day per covered Employee for each day on payroll to the Joint Employment Committee.

The parties agree, and will do what is required of them, to merge the Joint Employment Referral Committee (PMA Agreement) with the Joint Employment Committee (A&G Agreements) and for the latter to be the surviving entity, and for the necessary transfer of funds from the former.

It is further agreed that the Company and the Organization will be adequately and fairly represented on the Joint Employment Committee.

SECTION XXXIII. LITIGATION PROTECTION CLAUSE

1. The Company agrees, on request, to provide at the Company's expense, the services of legal counsel to any Licensed Deck Officer, including the Master, who becomes involved as a party defendant in any civil litigation arising out of any claimed act or omission, not constituting willful misconduct, by such Licensed Deck Officer, and to reimburse such Licensed Deck Officer for any necessary costs and expenses incurred, such as transportation, subsistence and loss of wages (but excluding the amount of any judgment which may be rendered against such Licensed Deck Officer) in defending such litigation, or in appearing as a witness in any civil or other litigation, or at any proceeding at his Employer's request. Further, the Company agrees (1) not to implead any Licensed Deck Officer, or his estate, in any action brought against the Company and (2) not to file any suit for damages against any Licensed Deck Officer, or his estate, because of any act or omission not constituting willful misconduct of such Licensed Deck Officer in the course and scope of his employment. For the purposes of this Section, a Licensed Deck Officer shall be considered to be acting in the course and scope of his employment even though off duty if he is aboard the vessel and on the Company payroll.

2. If legislation or government regulations, now or hereafter provide that Licensed Deck Officers may be held liable for pollution caused by their vessel, then in absence of willful misconduct on the part of the Licensed Deck Officer, the Employer shall be obligated in any litigation or proceeding under such legislation or regulations: (a) either to extend the services of legal counsel, or to pay the reasonable attorney fees charged to the Licensed Deck Officer should the Employer not extend the service of legal counsel, (b) to pay all his other costs and expenses, including those set forth in (1) above, of any litigation or proceeding in which the Licensed Deck Officer is involved, and (c) to reimburse the Licensed Deck Officer for any "fines" or other levies that may be imposed and for all lost wages of such Licensed Deck Officer resulting from his being involved in any such proceeding; and (d) to hold the Licensed Deck Officer harmless for any other costs or sanctions imposed under such legislation or regulations.

SECTION XXXIV. WAR ZONES, AREAS OF HOSTILITIES AND INSURANCE COVERAGE

1. War Zones. Any vessel going into any war zones, or areas rendered unsafe by virtue of hostilities, shall be subject to special negotiations with regard to increase of wages, or bonus or other special benefit.

2. War Risk Insurance

a. The Company will continue in effect for Licensed Deck Officers, War Risk Insurance as described in General Order 75 (Revised) Part 308, as printed in the Federal Register issue of February 28, 1957, including the provisions of Article 17 relating to Detention and Repatriation benefits, including wages, transportation, allotments and other benefits as provided in said Article 17. If such insurance is no longer available during the life of this Agreement, the subject of protection for internment (Detention and Repatriation) shall be open for special negotiations.

SECTION XXXIV. WAR ZONES, AREAS OF HOSTILITIES AND INSURANCE COVERAGE

b. If a Company does not fulfill its obligation to obtain War Risk Insurance, the following "war risk insurance" benefits shall be paid:

i. Life Insurance benefits of \$20,000.

ii. Monthly disability benefits of \$600 per month up to a total maximum payment of \$20,000.

iii. Dismemberment benefits that are the equivalent of the then current MFP Welfare Plan.

iv. Detention benefits which shall be the base wages during the period of detention until such time as the Licensed Deck Officer is returned to a Continental United States port. These benefits shall be payable to his beneficiary or next of kin.

If there is no beneficiary or next of kin, it shall be paid to the Licensed Deck Officer on his return to the Continental United States.

3. No Sailing Delays. The Organization agrees that no sailing shall be delayed because of failure to reach a prompt agreement, but that, if it becomes necessary, the prescribed steps for adjustment of the dispute shall be followed subsequent to the vessel's departure.

4. New Hostilities. Irrespective of whether prior negotiations have been held or completed, the Area Bonus, Vessel Attack Bonus and Harbor Attack Bonus provisions which are part of the special Vietnam memorandum shall be applicable, and the bonus amounts set forth in that memorandum shall be payable to the Licensed Deck Officers employed on any vessel which is in a defined harbor when another vessel is subjected to attack in that harbor. If a vessel is attacked on the high seas by a combatant in an area that is or becomes a war zone or area rendered unsafe by virtue of hostilities, the provisions of this section shall apply.

5. Requirements for Insurance. The Parties agree that upon the establishment of a requirement for increased premiums for hull insurance for war risk or areas of hostility, the Company shall insure the Licensed Deck Officers in such areas in the same amounts and covering the same losses and risks as set forth above referable to the Vietnam area. The obligation to maintain such insurance shall terminate when the requirement for increased premiums for hull insurance shall terminate.

6. Presumption of Loss. The Parties recognize that a Licensed Deck Officer may be in a war zone or an area rendered unsafe by hostilities and may disappear or die under circumstances such that there is no clear proof whether his disappearance or death was the result of hostile action.

The Parties agree that under these circumstances there shall be a rebuttable presumption that his disappearance or death resulted from hostile action, and that beneficiary or next of kin shall be entitled to war risk life insurance benefits of \$20,000 which shall be paid three months after his disappearance or death.

If it later develops, on the basis of further proof not previously available, that war risk insurance was improperly paid, the Company shall have the right to pursue legal remedies.

SECTION XXXIV. WAR ZONES, AREAS OF HOSTILITIES AND INSURANCE COVERAGE7. Compensation for Loss of Effects

a. In the event of fire, shipwreck or loss of vessel, and the Licensed Deck Officer sustains partial or total loss of clothing, compensation not to exceed seven hundred fifty (\$750.00) dollars will be paid each Licensed Deck Officer.

b. In the event of fire, shipwreck or loss of vessel, and the Licensed Deck Officer sustains partial or total loss of navigation instruments and equipment, additional compensation not to exceed three hundred (\$300.00) dollars will be paid to each such Licensed Deck Officer unless there is a proven greater loss, in which case such additional compensation shall not exceed five hundred (\$500.00) dollars.

c. The provisions of (a) and (b) of this Subsection 7 are conditional on such loss not being recoverable under war risk agreements between the Company and the Organization.

SECTION XXXV. MECHANIZATION AND AUTOMATION FUND

The parties agree to establish a Mechanization and Automation Fund. The Union shall have the right to allocate to the Fund some of the monies referred to in Section I, paragraph 3 and paragraph 4.

SECTION XXXVI. GRIEVANCE PROCEDURE AND ARBITRATION

a. There shall be no strikes, lockouts or stoppages of work during the period of this Agreement, provided however, that the foregoing provisions shall not be applicable if the Company becomes delinquent in Pension, Welfare, Vacation, or any other MM&P Plan or Committee payments, allotments, or earned wages.

All disputes relating to the interpretation or performance of this Agreement which may arise between the parties to this Agreement shall be determined by a Licensed Personnel Board consisting of two persons appointed by the Organization and two persons appointed by the Company. The parties shall submit any such dispute for decision by the Board and they agree to be bound by the decision of a majority thereof. The Board shall agree to such rules of procedure as it may deem necessary.

In the event no settlement is reached by the Board, the issue may be referred to the Arbitrator by either party for arbitration. The cost of the arbitration shall be borne equally by the Organization and the Company involved.

Unless some other place is mutually agreed upon, the Board shall meet in New York promptly upon the written notice from either the Organization or the Company.

The Organization and the Company may appoint alternates to act in place of the regular members of the Board.

SECTION XXXVI. GRIEVANCE PROCEDURE AND ARBITRATION

b. John Gentry, Esq., shall serve as Arbitrator and David Feller, Esq., shall serve as Alternate Arbitrator.

The parties agree that all questions as to whether a dispute is arbitrable shall be submitted to and decided by the Arbitrator; provided, however, the Arbitrator shall be without authority to amend the terms of the collective bargaining agreement. The parties agree that all questions concerning the interpretation of an award made by the Arbitrator shall be re-submitted to the Arbitrator for a decision.

c. Pursuant to (a) and (b) above:

The Arbitrator will serve as Chairman of any meeting of the Licensed Personnel Board without vote. If said Board resolves any grievance, either by a majority vote or by mutual agreement, said grievance shall be deemed settled, and the decision shall be final and binding.

d. In the absence of such final disposition by the Licensed Personnel Board, the Arbitrator will then have jurisdiction of the case to render a decision as Arbitrator. Either party may request a further opportunity to present additional evidence for the purpose of the arbitration proceeding. In the absence of any such request or if the Arbitrator should deny such request, he will proceed to issue an award without the need of any further hearings.

e. A fixed date in each calendar month shall be designated for the meeting of the Licensed Personnel Board with respect to any grievances that each party may have. The Company and the Union agree that in order to properly have a grievance submitted to the Licensed Personnel Board at its regular monthly meeting, at least five (5) days' notice, in writing, must be given to the other party, setting forth the nature of the grievance and the relief requested, unless such time limitation is waived. If there are no grievances to be presented at any designated monthly meeting, the Arbitrator will be given twenty-four (24) hours' notice by the parties prior to the date of such meeting and said meeting will be cancelled.

f. Either party may, in addition to such fixed meetings, have the right, by telegraphic notice to the other party and to the Arbitrator, to request a convening of the Licensed Personnel Board to consider a grievance the nature of which requires immediate disposition. In such event the Board shall meet as expeditiously as possible but in no event later than twenty-four (24) hours after receipt of said notice. In such case the award of the Licensed Personnel Board and, where a deadlock of the Licensed Personnel Board occurs, the Arbitrator, if requested by the aggrieved party, shall issue his decision forthwith and in no event later than five (5) hours after the conclusion of the hearing. In addition, the aggrieved party may agree to waive this time limitation with respect to all or part of the relief requested.

The award of the Arbitrator shall be in writing and may be issued with or without an opinion. If any party desires an opinion, one shall be issued, but its issuance shall not delay compliance with and enforcement of the award.

g. The failure of any party to attend an arbitration hearing as scheduled by the Arbitrator shall not delay said arbitration and the Arbitrator is authorized to proceed to take evidence and to issue an award as though such party were present.

h. It is the desire and purpose of the parties that all grievances, available for Licensed Personnel Board or Arbitration, be disposed of as promptly and expeditiously as possible.

SECTION XXXVII. CO-EXTENSIVE EMPLOYMENT POOL

The parties agree that there will be established an employment pool which will consist of all Employees eligible to be employed on vessels covered by a collective bargaining agreement with the Organization. Individuals in the employment pool shall consist of all those who are maintained on the shipping lists in each MM&P hiring hall from which Employers covered by an Agreement with MM&P obtain covered Employees.

The parties agree that the provisions of this Agreement are aimed to cover and protect all individuals in the aforesaid employment pool and to insure that their job opportunities are maintained and preserved. It is thus agreed for purposes of the protection of the jobs of the Licensed Deck Officers and for purpose of preserving their work and job opportunities, covered Employees are to be considered co-extensive with the employment pool consisting of all Licensed Deck Officers available for shipping in the MM&P employment offices.

SECTION XXXVIII. CONTRACT DEFINITIONS

1. Cargo Activity

The term "cargo activity" as used in this Agreement shall include the following types of operations (which may apply, either in part or in whole, to particular types of tankship operations under certain conditions):

a. Loading or discharging of containers, lighters, or barges (whether empty or not).

b. Loading or discharging mail, baggage or any type cargo.

c. Opening or closing hatches or tanks when this work is performed by longshoremen or any other persons for cargo related work, or by crew members receiving compensation attributable to cargo related work.

d. Shoring, lashing, tomming, building catwalks or removing same when this work is performed aboard the vessel by coopers, longshoremen, or crew members receiving additional compensation attributable to cargo work.

e. Anytime longshoremen or contractors are aboard and performing cargo related work or when crew members are being compensated for this type of work at the cargo rate.

LMM

(tanker)

SECTION XXXVIII. CONTRACT DEFINITIONS

f. Connecting or disconnecting hoses or piping for the purpose of loading or discharging liquid or gaseous cargo or ballast or tank washings to shore facilities or to another vessel, barge or lighter. It is understood for the purposes of this subsection that the vessel need not be in port.

g. Replenishment operations including the transfer of cargo, stores, or bunkers between vessels or aircraft at sea.

h. It is the intent of the parties that "cargo activity" as defined in this section will not place the vessel under port time conditions unless the provisions of Section XIV are applicable.

SECTION XXXIX. GENERAL AND WORKING CONDITIONS

1. Time Off in Port - Tankers. Licensed Deck Officers shall continue to be entitled to time off in port as described in Section XII.

2. Log Books. Licensed Deck Officers (including Port Relief Officers) shall not be required to make entries in more than one (1) Deck Log Book. Carbon copy form of Log Books shall be used by those companies desiring copies of the original log entries.

3. Assignment of Watches. When Licensed Deck Officers are assigned to watches as provided by applicable sections of this Agreement, watches so assigned become the normal day's work and any work performed by them outside their assigned watch must be authorized and they shall be paid additional compensation as specified in Section XI.

4. Navigation Watches.

a. Except in the event of an emergency or for reasons of personal privilege, an Officer in charge of a navigating watch shall not be relieved by the Master.

(Continue to page 69, Section XXXIX, Subsection b)

SECTION XXXIX. GENERAL AND WORKING CONDITIONS

b. No restrictions shall be placed on the use of any aid to navigation located on the bridge or on the use of charts or publications. Violations of this subsection shall be brought to the attention of the Joint Safety Committee for action.

c. When a vessel is manned by less than the number of Officers required by the Certificate of Inspection, the other Licensed Deck Officers shall divide the sea watches.

d. An Officer in charge of a sea watch shall not perform any paper work other than that connected with the immediate navigation of the vessel. This specifically means that they shall not:

i. Correct charts, light lists, or any other aid to navigation document not immediately in use. (This does not mean that a watch officer will make corrections from Notices to Mariners or any other source on a sea watch. It does mean that notations may be made on a chart or in a publication relating to things like incorrect characteristics of lights, wrecks sighted, etc.)

ii. Work on Commander's logs, voyage abstracts, port reports, abstracts of passages, whether separate or incorporated on other than the daily working page of the Log Book, weather maps, special position or weather reports (excluding U. S. Weather Bureau or AMVER messages) required by the Company or a Charterer.

All such work when authorized to be performed at sea shall be performed on the Officer's watch below.

5. Returning Body of a Licensed Deck Officer. Whenever a Licensed Deck Officer dies while in the service of the Company, upon request of his next of kin, his body and personal effects shall be returned to his original port of engagement on a Company vessel or to a place designated by his next of kin, provided that the place designated by the next of kin does not cause additional expense.

6. Visual Signaling. When ship-to-ship or ship-to-shore communications via visual signaling (i.e. flashing light or signal flags) is expected or commences when navigating in restricted waters, a Licensed Deck Officer, other than the watchstanding Officer, shall be used for such signaling exchange.

7. AMVER. The Company agrees that all owned or operated vessels will be participants in the AMVER program of the U. S. Coast Guard on voyages that coverage applies.

8. Division of Work. The opportunity for the watchstanding Licensed Deck Officer to perform work in connection with "shifting ship" and "mooring and unmooring" shall be divided as equally as possible among these Officers during the course of a voyage.

9. Time Changes. When ships' clocks are advanced or retarded at sea, the time change shall be divided equally among the three (3) navigational watches provided these time changes may be accomplished between the hours of 1800 and 0600.

SECTION XXXIX. GENERAL AND WORKING CONDITIONS

10. Gangway Auto Privileges. On Company controlled terminals, when joining or leaving a vessel, a Licensed Deck Officer shall be permitted to drive in auto or taxi to the gangway in order to transfer personal effects, at times when cargo operations are not being conducted.

At container or barge terminals, it is recognized that cargo operations are usually continuous, therefore, at such terminals, the foregoing shall not apply if regularly scheduled shuttle bus service is provided from the Gate to the vessel's gangway and such service is available to all Licensed Deck Officers and can accommodate conventional Officers' baggage. Baggage may be left in the gatehouse while the Licensed Deck Officer parks his car in the parking lot.

11. Availability of Coffee

a. When Licensed Deck Officers are called back or called out for duty, fresh coffee shall be available.

b. When a Watch Officer is the only Licensed Deck Officer on duty, he shall not be required to remain in the hatches for prolonged periods. When there is more than one (1) Licensed Deck Officer on watch, a Licensed Deck Officer (including the Port Relief Officer), shall not be required to remain in the hatches for a period to exceed two (2) hours without being relieved for coffee time.

12. Communication Requirements - not applicable.

13. Forwarding Notice to Mariners and Mail. The Company shall send by air mail to vessels in foreign ports, on scheduled runs, the most recent Notices to Mariners and will also forward all first class personal mail received in the Company offices with the required international postage affixed.

Vessels on unscheduled runs will have mail forwarded to the port of final discharge overseas and to the arrival port in the United States. Vessels trading worldwide on long-term articles will have mail forwarded in accordance with the vessel's itinerary in an expeditious manner.

14. Payoff by Master. The Master shall not be required to return to the vessel or remain aboard the vessel for the purpose of paying off any member of the crew or any person dispatched from any union to relieve any crew member, after 1700 and before 0800 and on Saturdays, Sundays or Holidays, (unless compensated as specified elsewhere in this Agreement) provided however, that this shall not be in conflict with his required presence for the signing on or signing off of voyage articles.

15. Fines. Unless he is guilty of negligence, a Licensed Deck Officer fined by a governmental authority for any act or omission attributable to his employment, shall be reimbursed for said fine.

16. Copy of Directives. A copy of all Company directives which affect this Collective Bargaining Agreement shall be sent to the Headquarters Office of the Organization. It is expressly agreed that no communications containing material of a confidential or privileged nature need be provided nor shall communications which contain information relating to trade secrets or practices be provided.

17. Uniforms

a. Present practice in individual companies with respect to cleaning and/or laundering uniforms and furnishing of cap devices, gold insignia, gold stripe or gold braid, or other trimmings, will be continued.

b. Safety hats and goggles will be furnished to Licensed Deck Officers.

18. Penalty Rate Work. The normal duties of Licensed Deck Officers shall continue as supervisory and professional. Any Officer required to perform work customarily performed by unlicensed personnel shall receive the penalty rate described in Section XI in addition to any other compensation payable.

19. Contaminated Spaces

a. When Officers, in the performance of their duties, are required to enter dirty confined spaces such as cofferdams, voids, double bottoms, pipe tunnels, peak tanks, deep tanks or any other spaces that are similar, they shall be provided all necessary protective clothing and equipment such as boiler suits, safety helmets, masks, rubber boots, or any other protective equipment dictated by the circumstances.

20. Company Slop Chest. The slop chest required by the Navigation Laws of the United States on certain vessels, for which an owner shall be liable to a penalty of \$500 for failure to provide before sailing, may not be owned by a Licensed Deck Officer, although he may be required to operate same for the account of the Company.

21. Payrolls - The Master shall not be required to prepare the vessel payroll except when he receives a total additional compensation of one hundred twenty-five (\$125.00) dollars per payroll period. The Master shall make every effort to have the payroll prepared at premium time in accordance with the intent of Section XI, Sub-section 11.

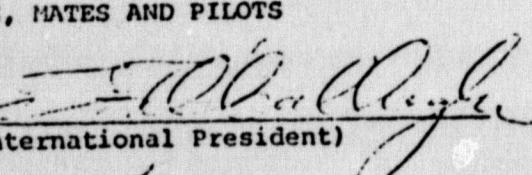
22. Master Handling Funds. The Master shall not be liable for any discrepancies in his settlement account unless they are directly caused by his own personal negligence.

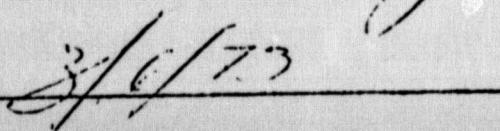
23. Joint Tanker Safety Committee - The parties agree to establish a Joint Tanker Safety Committee with equal representation on such Committee. This Committee shall meet at such times and locations mutually agreeable to the parties.

SECTION XL. RATIFICATION

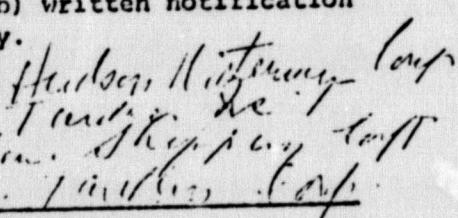
This Agreement shall be deemed to have become final and binding upon the Parties hereto only upon the fulfillment of the following conditions: (a) Ratification of the Agreement by the membership of the Organization and (b) written notification of such ratification given by the Organization to the Company.

For the INTERNATIONAL ORGANIZATION OF
MASTERS, MATES AND PILOTS


(International President)

Dated: 

For the COMPANY:


President, American Tanker Co., Ltd.
T. G. G. Smith, Jr., Vice Pres., Secretary, Treasurer, Corp.

(Company)

By

Title

23 Broadway, New York, N.Y. 10278 (212) 424-5505/Cable DEDGEDUCK/Telex No. 12-6858

THOMAS J. MCGINNAN
International Secretary
WALTER H. CALFAX
International Executive Vice President
ROBERT J. LOWEN
International Secretary-Treasurer

(Pet & 3)

CERTIFIED MAIL

April 17, 1974

Seatrail Lines, Inc.
c/o Hudson Waterways Corp.
One Chase Manhattan Plaza
New York, New York

Re: Licensed Personnel Board/Arbitration
SS. NY/NY

Gentlemen:

Please be advised that we are placing on the agenda of the Licensed Personnel Board/Arbitration proceedings scheduled for April 24, 1974, our grievance arising out of your violation of the terms of the current IOMSP Offshore Division Collective Bargaining Agreement by reason of the failure to man the SS. BRONX with IOMSP licensed deck officers employed under that Agreement.

Please be further advised that the Licensed Personnel Board/Arbitration proceedings will be held at the offices of the IOMSP, 17th Floor, 39 Broadway, New York, New York at 10:00 A. M.

Very truly yours,

Captain Robert J. Lowen
International Secretary-Treasurer
and
IOMSP Contract Enforcement Officer

RJL:vw

cc: Mitchell H. Shipman, Esq.
Langfitt Shipping Corp. (certified mail)
c/o Hudson Waterways Corp.
Hudson Waterways Corp. (certified mail)
Marvin Schwartz, Esq.
American Maritime Association

GCD

International Organization of



Masters, Mates & Pilots

39 Broadway, New York, N.Y. 10006 / (212) 944-8505 / Cable: BRIDGEDECK / Telex No. 12-5858

THOMAS F. O'GALLAGHAN
International PresidentWILLIAM M. CALDWELL
International Executive Vice President
ROGER J. LOWEN
International Secretary Treasurer

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 18, 1974

(Put 844)

Fillmore Tanker Corporation
and
Hudson Waterways Corporation
and
Langfitt Shipping Corporation
and
Polk Tanker Corporation
and
Seatrain Lines Inc.
and
Tyler Tanker Corporation
All Located At:
One Chase Manhattan Plaza
New York, New York 10005

Re: Licensed Personnel Board/Arbitration
TT Williamsburg

Gentlemen:

Please be advised that we are placing on the agenda of the Licensed Personnel Board/Arbitration proceedings scheduled for October 30, 1974, our grievance arising out of your violation of the terms of Section V of the current IOMM&P Offshore Division Collective Bargaining Agreement by reason of your failure to man or your failure to secure the Manning of the TT Williamsburg with IOMM&P Licensed Deck Officers employed under that Agreement.

The relief sought by the IOMM&P consists of the following:

1. The Manning of the TT Williamsburg by IOMM&P Licensed Deck Officers covered by the current IOMM&P Offshore Division Collective Bargaining Agreement.



International Organization of

Masters, Mates & Pilots

39 Broadway, New York, N.Y. 10006/(212) 944-8505/Cable: BRIDGEDECK/Telex No. 12-5858

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THOMAS F. O'CALLAGHAN
International President

WILLIAM M. CADWELL
International Executive Vice President

ROBERT J. LOWEN
International Secretary-Treasurer

Page 2

2. The lost wages, including overtime, and the contributions to the various Organization Plans for the period of time that the TT Williamsburg was, is and remains manned by licensed deck officers other than IOMM&P Licensed Deck Officers covered by the current IOMM&P Offshore Division Collective Bargaining Agreement.

Please be further advised that the Licensed Personnel Board/Arbitration proceedings will be held at the offices of the IOMM&P, 17th Floor, 39 Broadway, New York, New York at 10:00 a.m.

Very truly yours,

ROBERT J. LOWEN
International Secretary-Treasurer
IOMM&P Conduct Enforcement Officer

eml

CC: Mitchell M. Shipman, Esq.
Marvin Schwartz, Esq.
Martin Seham, Esq.
American Maritime Association

(Pct Ex 5)

APPLICATION OF LANGFITT SHIPPING CORPORATION
FOR SHIP MORTGAGE INSURANCE UNDER TITLE XI, MERCHANT
MARINE ACT OF 1936, AS AMENDED

(46 U.S.C. 1271-1279a; HEREIN REFERRED TO AS "THE ACT")
AND THE RULES AND REGULATIONS PRESCRIBED TO CARRY OUT
THE PROVISIONS OF THE ACT (46 C.F.R. 298; HEREIN
REFERRED TO AS THE "REGULATIONS")

PART I - SUMMARY INFORMATION

Name of Applicant Mortgagor and/or Borrower: Langfitt Shipping Corporation

Street Address: One Chase Manhattan Plaza

City and State: New York, New York 10005

Name of Proposed Mortgagee and/or Lender:

Financing has not been arranged as of the filing of this application.

Nature of application: Mortgage Insurance

The Proposed Loan:

- (a) Type of Loan: Mortgage Loan at the time of delivery of the vessel.
- (b) Kind of obligation to evidence the loan: Although financing has not as yet been arranged, it is contemplated that the obligation evidencing the loan will be in the form of bonds to the public.
- (c) Purpose: To aid in the construction and financing of a 225,000 DWT Tanker to be used in the domestic and/or foreign oil trades.

(d) Amount of Loan:

(i) The Mortgage Loan shall be in an amount equal to 87½% of the Actual Cost (said loan estimated to be \$43,214,106.).

Whenever the term "Actual Cost" appears in this application, it should be deemed to mean an amount approved by the lending institution(s) to be named, but not in excess of "Actual Cost" as defined in Sections 1101 (f) and 1104(a) (2) or 1104(b)(4), as the case may be, of the Merchant Marine Act of 1936, as amended, and the Regulations.

(e) Period of Loan:

<u>Type of Loan</u>	<u>Approximate Execution Date</u>	<u>Approximate Final Maturity Date</u>
Mortgage Loan	March 1971	Twenty (20) years from date of making.

(f) Interest Rate:

Interest on the Mortgage Loan estimated to be 7½% per annum.

(g) Amortization Schedule:

(i) Mortgage Loan: To be amortized in equal quarterly instalments of principal plus interest, over the twenty (20) year period of the loan.

(h) Type of Vessel:

One (1) 225,000 DWT Tanker (hereinafter referred to as the "Vessel"). The Vessel will be eligible for Mortgage aid under Section 509 of the Act because its designed gross tonnage exceeds 3500 gross tons and it will be capable of a sustained speed in excess of fourteen (14) knots.

PART II - APPLICATION

The undersigned, Langfitt Shipping Corporation (herein referred to as the "Applicant"), hereby applies to the United States of America, represented by the Secretary of Commerce, acting by and through the Maritime Administrator (herein referred to as the "Secretary") under the Act and the Regulations for insurance of:

(a) The interest on and the unpaid balance of the principal of a Mortgage in the original principal amount of 87½% of Actual Cost (said original principal amount estimated to be \$43,214,106), to be executed by the Applicant in favor of a Mortgagor to be named,

for the purposes and upon the terms and conditions herein set forth, including the annexed Schedules and Exhibits, and subject to all the provisions of the Act and the Regulations. In support of this application the Applicant submits the following information, in addition to that stated in Part I hereof:

I. As to the Applicant: Its identity

A. Natural Persons - Not applicable.

B. Partnerships, associations, unincorporated companies.

Not applicable.

C. Incorporated Companies:

1. Exact name of applicant: Langfitt Shipping Corporation

2. State in which incorporated and date of incorporation:

Incorporated under the laws of the State of New York
on June 19, 1968.

3. Address of principal executive offices, and of important
branch offices, if any.

One Chase Manhattan Plaza, New York, New York 10005

4. The following information with respect to each officer and director of the corporation

<u>Name and Address</u>	<u>Office</u>	<u>Nationality</u>	<u>Capital Shares Owned</u>
Joseph Kahn 45 East End Avenue New York, N.Y.	President and Director	U.S.A.	None - Seatrain Lines, Inc. is the owner of 100% of the issued and outstanding stock of the Applicant
Howard M. Pack 12 Herkimer Road Scarsdale, New York	Vice President and Director	"	"
Samuel Kahn 71 Muriel Avenue Lawrence, New York	Vice President	"	"
Norman Kahn 75 East End Avenue New York, N.Y.	Vice President and Director	"	"
Charles J. Hess 91-15 250th Street Bellerose, N.Y.	Secretary/ Treasurer	"	"
Mary Baker 9602 Fourth Avenue Brooklyn, N.Y.	Assistant Secretary	"	"

5. The name, address, and nationality of and the number of capital shares owned by each person not named in answer to Item 4, owning of record, or beneficially if known, 5 percent or more of the issued capital shares of any class of the Applicant.

<u>Name and Address</u>	<u>Nationality</u>	<u>Number of Capital Shares Owned</u>
Seatrain Lines, Inc.	U.S.A.	1000 (100%)

6. A brief statement of the general effect of each voting agreement, voting trust, etc. etc.

There are no voting agreements, voting trusts, or any other arrangements whereby the voting rights in any shares of Langfitt Shipping Corporation are owned, controlled or exercised, or whereby the control of Langfitt Shipping Corporation is in any way held or exercised by any person or corporation not the holder of legal title to such shares.

II. As to the Applicant: Its Business and Affiliations

A. While the Applicant is a relatively new corporation, its parent company, Seatrain Lines, Inc., together with its subsidiaries, has been engaged in the oil and grain trades on a worldwide basis, in the container field between New York and Puerto Rico, and in the carriage of military cargo between the U.S. West Coast and the Far East.

B. See chart of related companies to Applicant attached as Exhibit E.

Each of the companies are shipping companies. Commodity Chartering Corporation, in addition to being a shipowning company is also in the charter brokerage business. Seatrain Lines, Inc., is the sole owner of Ocean Equipment Corporation, Seatrain Lines of Puerto Rico, Inc., Transeastern Terminals, Inc., Langfitt Shipping Corporation, Mc Rae Shipping Corporation, Hase Shipping Corporation, Haan Shipping Corporation and Transeastern Associates, Inc. Transeastern Associates, Inc. is the sole owner of Transeastern Shipping Corporation, Manhattan Tankers Company, Inc., Hudson Waterways Corporation and Commodity Chartering Corporation. Hudson Waterways Corporation is the sole owner of Cefor Cargo Ships, Inc. Commodity Chartering Corporation is the sole owner of Compania Naviera Angela, S.A., Compania Naviera Marlena, S.A., Compania Naviera Lucretia, S.A., Compania Naviera Romano, S.A., Compania Naviera Avante, S.A., Compania Naviera Asiatic, S.A., Compania Naviera Capistrano, S.A., Compania Naviera Minoan, S.A., Compania Naviera Tocopilla, S.A., Good Hope Transport Corporation, Globe Container Corporation and World Container Corporation. All of the related companies are U. S. citizens with the exception of Angela, Marlena, Lucretia, Romano, Avante, Asiatic, Capistrano, Minoan, Tocopilla, Good Hope Transport Corporation, Woold Container Corporation and Globe Container Corporation, which are all Liberian corporations.

C. A statement of whether or not during the past five years the Applicant or any predecessor or related company has been in bankruptcy or in reorganization, etc. etc.

None

D. A statement of whether or not the Applicant or any predecessor or related company is now or during the past five years has been in default under any agreement or undertaking with others or with the United States or guaranteed or insured by the United States:

None

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III. As to the Management of the Applicant:

A. A brief description of the principal business activities during the past five years of each director and each principal executive officer of the Applicant:

1. Joseph Kahn: Chairman of the Board of Seatrain Lines, Inc.; Co-Chairman of the Board of Hudson Waterways Corporation; President of Manhattan Tankers Company, Inc.; Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Mc Rae Shipping Corporation, Hase Shipping Corporation, Haan Shipping Corporation; Chairman of the Board of Transeastern Terminals, Inc.; Vice President of Angela, Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla and Good Hope Transport Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping, as well as container operations.
2. Howard E. Pack: President of Seatrain Lines, Inc., Transeastern Terminals, Inc., Ocean Equipment Corporation, Angela, Avante, Asiatic, Capistrano, Lucretia, Marlena, Romano, Tocopilla, and Good Hope Transport Corporation; Chairman of the Board of Seatrain Lines of Puerto Rico, Inc.; Co-Chairman of the Board of Hudson Waterways Corporation; Vice President of Manhattan Tankers Company, Inc., Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Mc Rae Shipping Corporation, Hase Shipping Corporation and Haan Shipping Corporation.
Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping, as well as container operations.
3. Norman Kahn: Executive Vice President of Hudson Waterways Corporation; Vice Chairman of the Board and Vice President of Seatrain Lines, Inc.; Vice President of Manhattan Tankers Company, Inc., Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Transeastern Terminals, Inc., Commodity Chartering Corporation, Mc Rae Shipping Corporation, Hase Shipping Corporation and Haan Shipping Corporation.

President of Globe Container Corporation and World Container Corporation; Vice President/Secretary/Treasurer of Angela, Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla and

Good Hope Transport Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.

4. Samuel Kahn: President of Hudson Waterways Corporation, Executive Vice President of Seatrail Lines, Inc.; Vice President of Transeastern Terminals, Inc., Manhattan Tankers Company, Inc., Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Mc Rae Shipping Corporation, Haan Shipping Corporation, Base Shipping Corporation, Haan Shipping Corporation, Angela, Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla, Good Hope Transport Corporation; Executive Vice President of Globe Container Corporation and World Container Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.

5. Charles J. Hogg: Treasurer of Seatrail Lines, Inc., Hudson Waterways Corporation, Manhattan Tankers Company, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Transeastern Terminals, Inc.; Secretary/Treasurer of World Container Corporation, Globe Container Corporation, Mc Rae Shipping Corporation, Base Shipping Corporation and Haan Shipping Corporation. Vice President of Ocean Equipment Corporation; Assistant Treasurer of Transeastern Shipping Corporation, Transeastern Associates, Inc., Angela, Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla, and Good Hope Transport Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.

B. The name and address of each other organization engaged in business activities related to those carried on by the Applicant with which any person named in answer to the preceding item has any substantial business connection; the name of each such person, and briefly, the nature of such connection:

None, except as stated in Item III A above.

C. A statement of the nature and extent of any affiliations or relationships between the Applicant or any of its directors or principal executive officers, on one hand, and, on the other hand, the contractor referred to in answer to items V-G and any of its directors and principal executive officers.

The contractor corporation is under the same common ownership and control as the Applicant.

D. Name, citizenship, education, background of, and licenscs held by, all shore management ; personnel concerned with the physical operation of the ships owned by the Applicant or proposed for construction, or if not now an operator of vessels, Applicant's proposed table of organization of key operating personnel or name of proposed operating agent. If now the owner and/or operator of ships, furnish data as to union affiliations and existing contracts necessary to the management and operation of the ships covering such items as bunkers, repairs, stores and stevedoring, and names of companies (domestic and foreign) for which company acts as agent. If a company other than the Applicant is designated to operate the vessel, then the above information is to be provided on that company together with a copy of the proposed operating agreements. In the event Applicant is not currently the operator of ships, a statement as to its prospective arrangements, if any, in this connection. Prior to approval of a Contract of Insurance of Mortgage, an executed copy of the operating agreement must be furnished.

Applicant proposes to have its related company, Hudson Waterways Corporation, as operating agent of the vessel. Hudson Waterways Corporation is a National Shipping Authority General Agent and information regarding its operating personnel, union affiliations, bunker, repair, towage and stevedoring and storing arrangements are on file with the NSA/Maritime Administration. Also, a list of its domestic and foreign agents is on file with the Administration. Prior to approval of a Contract of Insurance of Mortgage, an executed copy of Operating Agents Agreement will be furnished to the Administration for its approval. Hudson Waterways Corporation is a citizen of the United States as is evidenced by Citizenship Affidavit on file with the Maritime Administration.

IV. As to the Applicant: Its Property and Activities

A. A brief description of the general character and location of the principal properties of the Applicant employed in its business, other than vessels. Describe encumbrances, if any.

The Applicant has no other property or business.

B. A statement with respect to each vessel owned by the Applicant, or operated by it under charter, etc. etc.

Applicant does not own or operate any other vessel.

C. Full details concerning the services, routes, or lines on which the Applicant operates any of the vessels owned or chartered by it, etc.

Applicant does not own or operate any other vessel.

D. Statement of the type and nature of cargo presently carried on each route referred to in answer to the preceding item, etc.

Not applicable.

V. The Project:

A. A specific statement of the purposes for which the proposed loan will be expended with particular reference to Sections 1104(a)(8), 1104(b)(2), 1106 and/or 1107 of the Act.

The Mortgage Loan in an amount not to exceed 87½% of the Actual Cost will be expended to aid in the permanent financing of the vessel and will be used to retire a loan and to reimburse the Applicant for expenditures made by it in connection with the newbuilding.

B. A detailed statement of the total estimated capitalizable cost of the construction, reconstruction or reconditioning of the vessel to the Applicant, determined in accordance with generally accepted accounting principles, together with a statement of the cost of any shore facilities, cargo containers, etc., proposed to be purchased, and full details as to the manner in which the Applicant proposes to finance the total amount of such costs which are in excess of the amount of the mortgage.

1. The total estimated capitalizable cost of the construction of the Vessel is \$50,624,909., details of which are as follows:

Estimated Actual Cost as per Section 1104 of the Act (for Mortgage Loan):

Estimate of Construction Contract Price of \$44,875,250., plus estimated changes and extras, outfitting, and equipping:	\$45,875,250.
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Design agent's fee and inspection fee:

250,000.

Commitment fees on a loan and Mortgage Loan -- payable during construction period:	547,500.
Interest on a loan payable during construction period at 12% per annum:	<u>2,714,800.</u>
<u>Estimated Actual Cost:</u>	<u>\$49,387,550.</u>
 <u>Estimated Items of Cost Not Includable in Actual Cost:</u>	
Legal Fees:	\$ 200,000.
Accounting Fees:	50,000.
Fees, commissions on charges for securing loan, mortgage and/or other borrowings:	--
Printing fees, etc.	25,000.
Underwriting or trustee's fees:	800,000.
Federal documentary tax stamps:	62,359.
Investigation Fees:	<u>100,000.</u>
Miscellaneous:	
<u>Estimated Cost Not Includable in Actual Cost:</u>	<u>\$ 1,237,359.</u>
<u>Total Estimated Capitalizable Cost:</u>	<u>\$ 50,624,909.</u>

Applicant proposes to finance the total amount of such costs which are in excess of the Mortgage Loan as follows:

To the extent needed, Seatrain Lines, Inc. will subscribe to stock of the Applicant in an amount sufficient to satisfy such capitalizable costs in excess of insurable costs.

The full details of any proposed security issue will be furnished at a later date.

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2. The table of estimated vessel characteristics as listed on Schedule II of this application, and the preliminary design information required by Schedule III of this application.

Schedules II and III are attached hereto, embodied in one document.

Supervisory
Architects will be John J. McMullen Associates, Inc., 17 Battery Place, New York, New York 10004, one of the world's foremost naval architects, particularly in connection with tanker construction.

C. If the proposed loan will be used for the reconstruction or reconditioning of an existing vessel, etc. etc.

Not applicable.

D. A statement of how the proposed construction, reconstruction or reconditioning will result in a vessel which will meet the needs of the service, route or line for which intended, and the requirements of commerce with emphasis on the following factors:
 (a) cargo accommodations -- cargo space and fittings and appliances for handling and stowing cargo, including containers and vehicles;
 (b) passenger accommodations; (c) construction and design; (d) accommodations for officers and crew.

The proposed Newbuilding is intended to be operated principally in the domestic oil trade. It is primarily intended that the Newbuilding will be used in the carriage of petroleum products from the North Slope of Alaska (via pipeline to the port of Valdez) to a deep water port(s) on the U.S. West Coast (port of Cherry Point, Washington). It is also proposed that the Newbuilding may unload a portion of its cargo at Cherry Point and proceed down the coast to the Los Angeles area to unload the remainder of the cargo. Alternatively, depending on the economic posture, the vessel could be used to transport petroleum products from the North Slope of Alaska to the U.S. East Coast via the Northwest Passage if this route is proved to be feasible by a test run which will be made this coming summer. Should the vessel be used in the latter service, the proposed construction plans of the vessel would be modified to permit the vessel to operate in such service.

The vessel proposed to be constructed will be of the most modern design and with a size and speed which should for many years make it competitive with modern tankers, both American and foreign, now built or on the ways. It will be a valuable adjunct to our domestic and foreign commerce and of great national defense value. It will have no dry cargo accommodations as such and no passenger accommodations, but it will have very large capacity for the carriage of petroleum products. Its construction will be of such nature as to meet all classification requirements and the requirements of all governmental agencies having accommodations for officers and

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crew will be commodious and up the the highest American flag standards for modern tanker vessels.

E. A description of the proposed operations, with respect to: (1) Number of sailings proposed annually, ports to be served, frequency of sailings, and proposed itinerary showing time of arrival and departure, distance between ports, sea time, port time, hours of working or idle in port, off-hire days, and also any reserve port time:

The Vessel will not be operated in a liner service. Hence, this item is not applicable.

(2) Estimated annual revenue from carryings at break-even point, 50%, 75% and 100% of vessel utilization:

Not applicable.

(3) Estimated annual cargo tonnage and revenue to be derived therefrom, with indication of principal commodities to be carried, estimated average rate per ton, etc.

The cargo to be carried will be petroleum products. The estimated amount of cargo to be carried and estimated revenue to be derived therefrom are given in Exhibits B(4) and D. There will not be any cargo handling charges because the vessel is a tanker.

(4) An indication of actual and potential traffic available, showing the portion that is expected to originate at and/or to be destined for points other than the ports proposed to be served.

The potential traffic to be carried in the above-mentioned tank vessel is known to be very large. It is commonly known that there is at present a great shortage of United States flag tanker tonnage.

(5) Identify design, e.g., (a) conventional freighter; (b) containership; (c) trailership; (d) bulk carrier; or (e) tanker, and indicate means of loading and discharging cargo. Also indicate the estimated number of tons or cubic feet the vessel will be capable of handling per hour. For tankers, indicate pumping capacity and number of grades of cargo which can be handled simultaneously.

The vessel is a tanker of conventional design and will load from pipelines and discharge by pumps at a refinery. It is estimated that the vessel will pump about 10,000 long tons per hour and carry two grades of cargo which can be handled simultaneously.

(6) Particulars of any charter for a period of one year or longer.

The proposed vessel has no charter.

(7) Not applicable

(8) Not applicable

F. There shall be attached hereto as Exhibit D a forecast of operations on (1) a single voyage basis, (2) for the first year of operation with the new vessel or vessels, and (3) for the full period of the mortgage, and a comparison with actual figures for a similar vessel of the fleet now employed in a comparable trade. Such forecast shall be prepared with marginal explanations of the basis used in arriving at each of the figures shown, reconciling material changes which have occurred or are expected to occur and shall include the following items:

See Exhibit D.

G. If a Contract for the construction, reconstruction or reconditioning has been awarded, state the name of the contractor and give full details as to the manner of the award. If such contract has not been awarded, give details as to the manner in which the award is to be made.

A contract for the construction of the Newbuilding has been awarded. The vessel will be constructed by Seatrain Shipbuilding Corporation, a New York corporation, organized and existing under the laws of the State of New York, under the same common ownership and control as the Applicant. A copy of the Construction Contract is attached as Exhibit F.

H. If the Applicant proposes to establish a new service, route, or line, etc.

Not Applicable.

I. If the proposed loan is for the purposes of constructing a new vessel, a full statement concerning any changes in existing services, route or lines, etc.

Not applicable.

J. Vessel trade-ins and estimated trade-in values, etc.

Not applicable.

K. If the application is filed under Section 1107 of the Act, etc.

Not applicable.

VI. Fees and Charges

A. A full and complete statement of all sums paid or to be paid and of all other consideration given or to be given by the Applicant in connection with the proposed mortgage, insurance and commitment to insure, including with respect to each such payment (1) the name and address of each person, corporation, etc., to whom the payment is made or to be made, (2) the amount of the cash payment, or the nature and value of other consideration (estimates may here be given if necessary), (3) the exact nature of the services rendered or to be rendered therefor, (4) any conditions upon the obligation of the Applicant to make such payment, and (5) the nature of any affiliation, association, or prior business relationship between anyone named in answer to clause (1) of this item and the Applicant or any of its directors or principal executive officers. If anyone named in answer to said clause (1) participated in the development of the project or the preparation of the loan application or information filed therewith, the exact nature and extent of such participation must be set forth.

At the time of filing this application, no payments have been made in connection with the proposed newbuilding. It is estimated that shipbuilder's costs to be paid to Seatrail Shipbuilding Corporation will approximate \$45,875,250.

Naval architect's fees will approximate \$250,000. and be paid to John J. McMullen Associates, Inc., 17 Battery Place, New York, New York.

Since the financing has not been arranged, the name of the lender(s) cannot be furnished. It is anticipated that a commitment fee on a proposed Loan and the proposed Mortgage Loan (estimated at \$43,214,106) will be required and is estimated to be approximately 3/4 of 1% per annum.

We further estimate that the interest rate on a Loan will be approximately 12% and the Mortgage Loan will be approximately 7½% per annum.

It is anticipated that the Applicant may be required to pay underwriter's fees estimated at \$800,000.

Legal fees shall be paid to Coles & Goertner, 1000 Connecticut Ave., N. W., Washington, D. C., as counsel for the Applicant and to the counsel retained to represent the lending institution(s) which it is estimated will aggregate \$200,000.

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In addition thereto, it is estimated that \$50,000 will be paid to Eisner & Lubin, 250 Park Avenue, New York, New York, for accounting services in connection with this transaction.

Approximately \$75,000. will be paid for printing fees, etc. and \$100,000. for miscellaneous costs.

It is also estimated that the following amounts will be paid to the Maritime Administration:

For investigation fee: \$62,359.

None of the recipients of any such payments is affiliated or associated with or has had prior business relationships with the Applicant or any of its directors or principal executive officers except Seatrain Shipbuilding Corporation which is under the same joint ownership and control as the Applicant; Coles & Goertner has represented the parent company and affiliated companies of the Applicant as counsel in other transactions and in the development of this project and the preparation of this application, such services being limited to rendering of legal services; John J. McMullen Associates, Inc. has represented the parent company and affiliated companies of the Applicant in other transactions and in the development of this project as Naval Architects; and Eisner & Lubin has represented the parent company and affiliated companies of the Applicant generally as certified public accountants.

VII. As to Schedules and Exhibits

A. A list describing the documents filed with the application, which shall include:

Schedule I: The mortgagee's, lender's, and/or note purchaser's statement(s) in support of the application:

To be filed later as financing has not been arranged.

Schedule II and Schedule III: Table of characteristics and Preliminary design information:

Are embodied in one document.

(Continued)

Estimated Daily Vessel Expense,
225,000 DWT Tanker for Five Year
Period, with supporting schedules.

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(4) (2) Breakdown of Crew Complement by rating.

(4) (b) Crew Wages

(4) (c) Subsistence Costs

(4) (d) Bunker Cost and Consumption

(4) (e) Breakdown of Stores

(4) (f) Maintenance and Repair, and Survey costs.

(4) (g) Insurance: H. & M., P. & I., War Risk

(5) Comparable Pro-Forma Single Voyage Account for 114,700 DWT Tanker from Alaska to U.S. West Coast at ATRS Flat, with computations of per diem profit from ATRS minus 85 to plus 100.

(6) Comparable Pro-Forma Single Voyage Account for 37,250 DWT Tanker from Alaska to U.S. West Coast at ATRS Flat, with computations of per diem profit from ATRS minus 85 to plus 100.

(7) Comparable Pro-Forma Single Voyage Account for 69,800 DWT Tanker from Alaska to U.S. West Coast at ATRS Flat, with computations of per diem profit from ATRS minus 85 to plus 100.

Exhibit E:

Chart of related companies.

Exhibit F:

Construction Contract between Langsford Shipping Corporation and Seatrain Shipbuilding Corporation dated April 7, 1969.

Exhibit G:

Cost derivation Schedule for U.S. Flag Tanker, together with supporting documents.

Dated: May 19, 1969

LANGFITT SHIPPING CORPORATION

By:

Charles J. Hess
Secretary-Treasurer

Attest:

Assistant Secretary

I, Charles J. Hess, do certify that I am the Secretary-Treasurer of LANGFITT SHIPPING CORPORATION, the Applicant on whose behalf I have executed the foregoing application; that the Applicant is a citizen of the United States within the meaning of Section 2, Shipping Act, 1916, as amended (U.S.C., Title 46, Sec. 802), Sections 37 and 38, Merchant Marine Act, 1920, as amended (U.S.C., Title 46, Sec. 888), and Section 905(c), Merchant Marine Act, 1936, as amended (U.S.C., Title 46, Sec. 1244); that this application is made for the purpose of inducing the United States of America to grant insurance pursuant to the provisions of Title XI of the Merchant Marine Act, 1936, as amended, and (except as otherwise required or approved by the Secretary), the rules and regulations prescribed to carry out the provisions of such Title; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate, and true.

Charles J. Hess

(Pd 8/6)

APPLICATION OF TYLER TANKER CORPORATION
FOR SHIP MORTGAGE INSURANCE AND/OR LOAN INSURANCE
UNDER TITLE XI, MERCHANT MARINE ACT OF 1936, AS AMENDED

(46 U.S.C. 1271-1279a; HEREIN REFERRED TO AS "THE ACT")
AND THE RULES AND REGULATIONS PRESCRIBED TO CARRY OUT
THE PROVISIONS OF THE ACT (46 C.F.R. 298; HEREIN
REFERRED TO AS THE "REGULATIONS.")

PART I - SUMMARY INFORMATION

Name of Applicant Mortgagor and/or Borrower: Tyler Tanker Corporation

Street Address: One Chase Manhattan Plaza

City and State: New York, New York 10005

Name of Proposed Mortgagor or Lender:

Financing has not been arranged as of the filing of this application.

Nature of application: Mortgage Insurance and Loan Insurance

The Proposed Loans:

(a) Types of Loans: Construction Loan, to be replaced by Mortgage Loan at the time of delivery of the Vessel.

(b) Kind of obligation to evidence the loans: Although financing has not as yet been arranged, it is contemplated that the obligations evidencing the loans will be in the form of bonds to the public.

(c) Purpose: To aid in the construction and financing of a 225,000 DWT Tanker to be used in the foreign commerce of the United States in the carriage of petroleum.

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(d) Amounts of Loans:

- (i) Construction Loan shall be an amount equal to 75% of the Actual Cost (said loan estimated to be \$30,037,500).
- (ii) The Mortgage Loan shall be in an amount equal to 75% of the Actual Cost (said loan estimated to be \$30,037,500).

Whenever the term "Actual Cost" appears in this application, it should be deemed to mean an amount approved by the lending institution(s) to be named, but not in excess of "Actual Cost" as defined in sections 1101(f) and 1104(a) (2) or 1104(b) (4), as the case may be, of the Merchant Marine Act of 1936, as amended, and the Regulations.

(e) Periods of Loans:

<u>Type of Loan</u>	<u>Approximate Execution Date</u>	<u>Approximate Final Maturity Date</u>
Construction Loan	To be furnished later.	Upon delivery of the completed and fully equipped Vessel to Applicant, approximately 1/31/74.
Mortgage Loan	1/31/74	Twenty (20) years from date of making.

(f) Interest Rate: Interest on both the Construction Loan and the Mortgage Loan estimated to be 7½% per annum.

(g) Amortization Schedules:

- (i) Construction Loan: The entire principal amount of the Construction Loan to be payable simultaneous with the execution of the Mortgage Loan.
- (ii) Mortgage Loan: To be amortized in equal semi-annual instalments of principal plus interest, over the twenty (20) year period of the loan, or equal semi-annual instalments of combined principal and interest over the twenty (20) year period of the loan.

(h) Type of Vessel: One (1) 225,000 DWT Tanker (hereinafter referred to as the "Vessel"). The Vessel will be eligible for Mortgage aid under Section 503 of the Act because its designed gross tonnage exceeds 3500 gross tons and it will be capable of a sustained speed in excess of fourteen (14) knots.

PART II - APPLICATION

The undersigned, Tyler Tanker Corporation (herein referred to as the "Applicant"), hereby applies to the United States of America, represented by the Secretary of Commerce, acting by and through the Maritime Administrator (herein referred to as the "Secretary") under the Act and the Regulations for insurance of:

- (a) The interest on and the unpaid balance of the principal of a Mortgage in the original principal amount of 75% of Actual Cost (said original principal amount estimated to be \$30,037,500), to be executed by the Applicant in favor of a Mortgagor to be named, and
- (b) The interest on and the unpaid balance of the principal of a loan in the original principal amount of 75% of Actual Cost (said original principal amount estimated to be \$30,037,500) to be made to the Applicant by the lender(s) to be named,

for the purposes and upon the terms and conditions herein set forth, including the annexed Schedules and Exhibits, and subject to all the provisions of the Act and the Regulations. In support of this application the Applicant submits the following information, in addition to that stated in Part I hereof:

I. As to the Applicant: Its Identity

- A. Natural Persons - Not applicable.
- B. Partnerships, associations unincorporated companies.
Not applicable.
- C. Incorporated Companies:
 1. Exact name of applicant: Tyler Tanker Corporation
 - 2.. State in which incorporated and date of incorporation;
Incorporated under the laws of the State of Delaware
on June 9, 1972.
 3. Address of principal executive office, and of important branch offices, if any.

One Chase Manhattan Plaza, New York, New York 10005.

4. The following information with respect to each officer and director of the corporation.

<u>Name and Address</u>	<u>Office</u>	<u>Nationality</u>	<u>Capital Shares Owned</u>
Joseph Kahn 870 United Nations Plaza New York, New York	President and Director	U.S.A.	None - Seatrain Lines, Inc* to be the owner of 100% of the issued and outstanding stock of the Applicant
Howard M. Pack 12 Herkimer Road Scarsdale, New York	Vice President and Director	"	"
Norman Kahn 75 East End Avenue New York, New York	Vice President and Director	"	"
Samuel Kahn 71 Muriel Avenue Lawrence, New York	Vice President	"	"
Charles J. Hess 81-15 250th Street Bellerose, New York	Secretary/Treasurer	"	"
Mary Baker 9602 Fourth Avenue Brooklyn, New York	Assistant Secretary	"	"

5. The name, address, and nationality of and the number of capital shares owned by each person not named in answer to Item 4, owning of record, or beneficially if known, 5 per cent or more of the issued capital shares of any class of the Applicant.

<u>Name and Address</u>	<u>Nationality</u>	<u>Number of Capital Shares Owned</u>
Seatrain Lines, Inc.*	U.S.A.	(100%)

6. A brief statement of the general effect of each voting agreement, voting trust, etc., etc.

There are no voting agreements, voting trusts, or any other arrangements whereby the voting rights in any shares of Applicant are owned, controlled or exercised, or whereby the control of Applicant is in any way held or exercised by any person or corporation not the holder of legal title to such shares.

*and/or one of its subsidiaries or affiliated companies.

A. While the Applicant is a newly formed corporation, its parent company, Seatrain Lines, Inc., together with its subsidiaries, has been engaged for many years in the oil and grain trades on a worldwide basis, in the container field, and in the carriage of military cargo. Its operations are well-known to the Maritime Administration.

B. See chart of related companies to Applicant attached as Exhibit "E".

Seatrain Lines, Inc. is the sole owner of Ocean Equipment Corporation, Seatrain Lines of Puerto Rico, Inc., Seatrain Terminals of California, Inc., Seatrain Lines, California, Langfitt Shipping Corporation, McRae Shipping Corporation, Hase Shipping Corporation, Haan Shipping Corporation, Seatrain Shipbuilding Corp., Seatrain Realty Corp., Manhattan Grain Terminal Corporation, North River Shipping Corporation, Narrows Shipping Corporation, Seatrain Landbridge, Inc., and Transeastern Associates, Inc. Transeastern Associates, Inc. is the sole owner of Transcastern Shipping Corporation, Commodity Chartering Corporation, Manhattan Tankers Company, Inc., and Hudson Waterways Corporation. Hudson Waterways Corporation is the sole owner of Cefor Cargo Ships, Inc. and Albatross Tanker Corporation. Commodity Chartering Corporation is the sole owner of Seatrain International, S.A., Compania Naviera Marlena, S.A., Compania Naviera Lucretia, S.A., Compania Naviera Romano, S.A., Compania Naviera Asiatic, S.A., Compania Naviera Capistrano, S.A., Compania Naviera Minoan, S.A., Compania Naviera Tocopilla, S.A., Seatrain Pacific, S.A., Seatrain Lines Intercaribbean, S.A., and Good Hope Transport Corporation. Seatrain International, S.A. is the sole owner of Dakar Container Corporation, Kenya Container Corporation, Globe Container Corporation, World Container Corporation, and Seatrain Europa, N.V. Seatrain Europa, N.V. is the sole owner of Seatrain G.m.b.H., Seatrain Benelux, N.V. Seatrain A.G. and Nordiska Havstag AB. Seatrain U.K. Ltd is owned by Seatrain Europa, N.V. and Seatrain Benelux, N.V. All of the related companies are U.S. citizens with the exception of Seatrain International, S.A., Compania Naviera Marlena, S.A., Lucretia, Romano, Asiatic, Capistrano, Minoan, Tocopilla, Seatrain Pacific, S.A., Good Hope Transport Corporation, World Container Corporation, Dakar Container Corporation, Kenya Container Corporation, Globe Container Corporation and Seatrain Lines Intercaribbean, S.A., which are all Liberian corporations; Seatrain Europa, N.V. and Seatrain Benelux, N.V. are Netherlands corporations; Seatrain G.m.b.H. is a German corporation; Seatrain U.K. Ltd. is a British corporation; Nordiska Havstag AB is a Swedish corporation and Seatrain A.G. is a Swiss corporation.

C. A statement of whether or not during the past five years the Applicant or any predecessor or related company has been in bankruptcy or in reorganization, etc. etc.

None

D. A statement of whether or not the Applicant or any predecessor or related company is now or during the past five years has been in default under any agreement or undertaking with others or with the United States or guaranteed or insured by the United States:

None.

III. As to the Management of the Applicant:

A. A brief description of the principal business activities during the past five years of each director and each principal executive officer of the Applicant:

1. Joseph Kahn: Chairman of the Board of Seatrain Lines, Inc., Seatrain Lines, California, and Seatrain Terminals of California, Inc.; Co-Chairman of the Board of Hudson Waterways Corporation; President and Director of Manhattan Tankers Company, Inc., Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Langfitt Shipping Corporation, Haan Shipping Corporation, McRae Shipping Corporation; Vice President and Director of Seatrain International, S.A., Avante, Asiatic, Capistrano Lucretia, Marlena, Minoan, Romano, Tocopilla and Good Hope Transport Corporation; Director of Seatrain Lines of Puerto Rico, Seatrain Shipbuilding Corporation, Dakar Container Corporation, Kenya Container Corporation, World Container Corporation and Globe Container Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping, as well as container operations.
2. Howard M. Pack: President and Director of Seatrain Lines, Inc., Seatrain Shipbuilding Corporation, Seatrain Terminals of California, Inc., Seatrain Lines, California, Ocean Equipment Corporation, Seatrain International, S. A., Avante, Asiatic, Capistrano, Lucretia, Marlena, Romano, Tocopilla and Good Hope Transport Corporation; Chairman of the Board of Seatrain Lines of Puerto Rico, Inc.; Co-Chairman of the Board of Hudson Waterways Corporation; Vice President and Director of Manhattan Tankers Company, Inc., Transeastern Shipping Corporation, Transeastern Associates, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Langfitt Shipping Corporation, Haan Shipping Corporation, McRae Shipping Corporation, Dakar Container Corporation, World Container Corporation, Kenya Container Corporation and Globe Container Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping, as well as container operations.

3. Norman Kahn: Executive Vice President and Director of Hudson Waterways Corporation; Vice Chairman of the Board and Vice President of Seatrain Lines, Inc.; Vice President/Secretary and Director of Manhattan Tankers Company, Inc., Transeastern Shipping Corporation and Cefor Cargo Ships, Inc.; Vice President and Director of Commodity Chartering Corporation, Langfitt Shipping Corporation, Haan Shipping Corporation, McRae Shipping Corporation and Seatrain Shipbuilding Corporation; President and Director of Globe Container Corporation, World Container Corporation, Dakar Container Corporation and Kenya Container Corporation; Vice President/Secretary/Treasurer and Director of Transeastern Associates, Inc., Seatrain International, S.A., Avante, Asiatic Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla and Good Hope Transport Corporation; Director of Seatrain Lines of Puerto Rico, Inc. and Seatrain Terminals of California, Inc. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.
4. Samuel Kahn: President of Hudson Waterways Corporation; Executive Vice President and Director of Seatrain Lines, Inc.; Vice President of Manhattan Tankers Company, Inc., Cefor Cargo Ships, Inc., Commodity Chartering Corporation, Langfitt Shipping Corporation, Haan Shipping Corporation, McRae Shipping Corporation, Seatrain International, S.A., Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano and Tocopilla; Vice President and Director of Seatrain Shipbuilding Corporation and Good Hope Transport Corporation; Vice President/Treasurer and Assistant Secretary of Transeastern Shipping Corporation; Vice President and Assistant Secretary of Transeastern Associates, Inc., Executive Vice President and Director of Globe Container Corporation, World Container Corporation, Dakar Container Corporation, and Kenya Container Corporation; Director of Seatrain Lines of Puerto Rico, Inc., Seatrain Lines, California and Seatrain Terminals of California, Inc. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.

5. Charles J. Hess: Treasurer of Seatrain Lines, Inc., Manhattan Tankers Company, Inc., Cefor Cargo Ships, Inc. Commodity Chartering Corporation, Seatrain "Criminals of California, Inc.; Treasurer/Director of Seatrain Lines, California; Secretary/Treasurer of Hudson Waterways Corporation, World Container Corporation, Globe Container Corporation, Dakar Container Corporation, Kenya Container Corporation, Langfitt Shipping Corporation, Haan Shipping Corporation, McRae Shipping Corporation and Seatrain Shipbuilding Corporation; Vice President of Ocean Equipment Corporation and Seatrain Lines of Puerto Rico, Inc.; Assistant Treasurer of Transeastern Shipping Corporation, Transeastern Associates, Inc., Seatrain International, S.A., Avante, Asiatic, Capistrano, Lucretia, Marlena, Minoan, Romano, Tocopilla and Good Hope Transport Corporation. Active as steamship operator since 1951 in all phases of dry cargo and tanker tramp shipping as well as container operations.

B. The name and address of each other organization engaged in business activities related to those carried on by the Applicant with which any person named in answer to the preceding item has any substantial business connection; the name of each such person, and briefly, the nature of such connection:

None, except as stated in Item III (A) above.

C. A statement of the nature and extent of any affiliations or relationships between the Applicant or any of its directors or principal executive officers, on one hand, and, on the other hand, the contractor referred to in answer to items V-G and any of its directors and principal executive officers.

The contractor corporation is under the same common ownership and control as the Applicant.

D. Name, citizenship, education, background of, and licenses held by, all shore management personnel concerned with the physical operation of the ships owned by the Applicant or proposed for construction, or if not now an operator of vessels, Applicant's proposed table of organization of key operating personnel or name of proposed operating agent. If now the owner and/or operator of ships, furnish data as to union affiliations and existing contracts necessary to the management and operation of the ships covering such items as bunkers, repairs, stores and stevedoring, and names of companies (domestic and foreign) for which company acts as agent. If a company other than the Applicant is designated to operate the vessel, then the above information is to be provided on that company together with a copy of the proposed operating agreements. In the event Applicant is not currently the operator of ships, a statement as to its prospective arrangements, if any, in this connection. Prior to approval of a Contract of Insurance or Mortgage, an executed copy of the operating agreement must be furnished.

Applicant proposes to have its related company, Hudson Waterways Corporation, as operating agent of the vessel. Hudson Waterways Corporation is a National Shipping Authority General Agent and information regarding its operating personnel, union affiliations, bunker, repair, towage and stevedoring and storing arrangements are on file with the NSA/Maritime Administration. Also, a list of its domestic and foreign agents is on file with the Administration. Prior to approval of a Contract of Insurance or Mortgage, an executed copy of Operating Agents Agreement will be furnished to the Administration for its approval. Hudson Waterways Corporation is a citizen of the United States as is evidenced by Citizenship Affidavit on file with the Maritime Administration.

IV. As to the Applicant: Its Property and Activities.

A. A brief description of the general character and location of the principal properties of the Applicant employed in its business, other than vessels. Describe encumbrances, if any.

The Applicant has no other property or business.

B. A statement with respect to each vessel owned by the Applicant, or operated by it under charter, etc., etc.

Applicant does not at this time own or operate any other vessel. It is proposed that Applicant will acquire from a related company two or more vessels to be traded-in to the Maritime Administration pursuant to section 510 of the Act for an allowance of credit against its share of the construction of the proposed new vessel.

C. Full details concerning the services, routes, or lines on which the Applicant operates any of the vessels owned or chartered by it, etc.

Applicant does not at this time own or operate any other vessel.

D. Statement of the type and nature of cargo presently carried on each route referred to in answer to the preceding item, etc.

Not applicable.

V. The Project:

A. A specific statement of the purposes for which the proposed loans will be expended with particular reference to Sections 1104(a)(8), 1104(b)(2), 1106 and/or 1107 of the Act.

The purpose of the Construction Loan in an amount not to exceed 75% of the Actual Cost is to finance the construction net of construction-differential subsidy of the 225,000 DWT Tanker more fully described in this application. Such expenditures are to be applied mainly to the contract price payable to the shipyard under the construction contract but they may also be applied against other insurable costs includable in Actual Cost to the extent permitted by the Maritime Administration. The Mortgage Loan in an amount not to

exceed 75% of the Actual Cost will be expended to aid in the permanent financing of the Vessel and will be used to retire the Construction Loan and to reimburse the Applicant for expenditures made by it in connection with the Newbuilding. On or prior to delivery of Vessel by builder, Applicant proposes to sell the Vessel on a sale and bareboat charter lease back arrangements.

B. A detailed statement of the total estimated capitalizable cost of the construction, reconstruction or reconditioning of the vessel to the Applicant, determined in accordance with generally accepted accounting principles, together with a statement of the cost of any shore facilities, cargo containers, etc., proposed to be purchased, and full details as to the manner in which the Applicant proposes to finance the total amount of such costs which are in excess of the amount of an insured loan or mortgage.

1. The total estimated capitalizable cost of the construction of the Vessel is \$41,550,000, details of which are as follows:

Estimated Actual Cost as per Section 1104 of the Act (for Construction Loan and Mortgage Loan):

Negotiated Construction Contract Price	\$65,000,000
Less: Estimated C.D.S. at 43%	27,950,000
Applicant's share of Construction Contract Price	<u>\$37,050,000</u>

Commitment fees on Construction Loan and Mortgage Loan -- payable during construction period and/or Interest on Construction Loan payable during construction period:	<u>3,000,000</u>
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<u>Estimated Actual Cost:</u>	\$40,050,000
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Estimated Items of Cost Not Includable in
Actual Cost:

Legal Fees:	\$ 300,000
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Accounting Fees:	50,000
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Fees, commissions on charges for securing loan, mortgage and/or other borrowings:	-----
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Printing fees, etc.	100,000
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Federal documentary tax stamps	-----
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Underwriter's Fees	850,000
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Investigation fees:	42,000
Miscellaneous-including Maritime Administration Title XI	
Insurance premium:	158,000
 <u>Estimated Cost Not Includable in Actual Cost:</u>	 \$ 1,500,000
 <u>Total Estimated Capitalizable Cost:</u>	 \$ 41,550,000

Applicant proposes to finance the total amount of such costs which are in excess of the insured Construction Loan and/or Mortgage Loan by trading in to the Administration two or more vessels for an allowance of credit toward the construction cost of the New building. To the extent needed, Seatrail Lines, Inc., and/or one of its subsidiaries or affiliated companies will subscribe to stock of the Applicant in an amount sufficient to satisfy such capitalizable costs in excess of insurable costs.

The full details of any proposed security issue will be furnished at a later date.

2. The table of estimated vessel characteristics as listed on Schedule II of this application, and the preliminary design information required by Schedule III of this application.

The Vessel will be constructed in accordance with plans previously submitted to and received by the Maritime Administration. The general information called for in these schedules is consequently already on file with the Administration.

C. If the proposed loans will be used for the reconstruction or reconditioning of an existing vessel, etc., etc.

Not applicable.

D. A statement of how the proposed construction, reconstruction or reconditioning will result in a vessel which will meet the needs of the service, route or line for which intended, and the requirements of commerce with emphasis on the following factors: (a) cargo accommodations -- cargo space and fittings and appliances for handling and stowing cargo, including containers and vehicles; (b) passenger accommodations; (c) construction and design; (d) accommodations for officers and crew.

The proposed Newbuilding is intended to be operated in the foreign commerce of the United States. It is primarily intended that the Newbuilding will be used in the carriage of petroleum.

The proposed Newbuilding is intended to be operated in the foreign commerce of the United States. The vessel proposed to be constructed will be of the most modern design with size and speed which should for many years make it competitive with modern tankers, both American and foreign, now built or on the ways. It is commonly known that the American-flag tank tonnage is quickly becoming obsolete. The Newbuilding shall help to modernize the American-flag tank fleet and allow it to compete with modern foreign-flag tank ships in the foreign commerce of the United States. In addition to being a valuable adjunct to our foreign commerce, it will be of great national defense value. It will have no dry cargo accommodations as such and no passenger accommodations, but it will have very large capacity for the carriage of petroleum. Its construction will be of such nature as to meet all classification requirements and the requirements of all governmental agencies having supervision thereover and the accommodations for officers and crew will be commodious and up to the highest American-flag standards for modern tanker vessels. The new vessel will be equipped with most extensive oily water separating equipment to satisfy all projected requirements affecting discharges from ships.

Information respecting the ability of the proposed vessel to meet the requirements of the trades for which it is intended is known to the Administration.

E. A description of the proposed operations, with respect to:
 (1) Number of sailings proposed annually, ports to be served, frequency of sailings, and proposed itinerary showing time of arrival and departure, distance between ports, sea time, port time, hours of working or idle in port, off-hire days, and also any reserve port time:

The Vessel will not be operated in a liner service. Hence, this item is not applicable.

(2) Estimated annual revenue from carrying at break-even point, 50%, 75% and 100% of vessel utilization:

Not applicable.

(3) Estimated annual cargo tonnage and revenue to be derived therefrom, with indication of principal commodities to be carried, estimated average rate per ton, etc.

The cargo to be carried will be petroleum. See Exhibit D "Forecast of Operations." If additional information is needed it will be furnished upon request. There will not be any cargo handling charges because the vessel is a tanker.

(4) An indication of actual and potential traffic available, showing the portion that is expected to originate at and/or to be destined for points other than the ports proposed to be served.

The potential traffic to be carried in the above-mentioned tank vessel is known to be very large. It is commonly known that there is at present a great shortage of United States-flag tanker tonnage.

(5) Identify design, e.g., (a) conventional freighter; (b) containership; (c) trailership; (d) bulk carrier; or (e) tanker, and indicate means of loading and discharging cargo. Also indicate the estimated number of tons or cubic feet the vessel will be capable of handling per hour. For tankers, indicate pumping capacity and number of grades of cargo which can be handled simultaneously.

The Vessel is a tanker of conventional design and will load and discharge by pumps. It is estimated that the vessel will pump about 10,000 long tons per hour and carry two grades of cargo which can be handled simultaneously.

(6) Particulars of any charter for a period of one year or longer.

The proposed vessel has no charter.

(7) Not applicable.

(8) Not applicable

F. There shall be attached hereto as Exhibit "D" a forecast of operations on (1) a single voyage basis, (2) for the first year of operation with the new vessel or vessels, and (3) for the full period of the loan and/or mortgage, and a comparison with actual figures for a similar vessel of the fleet now employed in a comparable trade. Such forecast shall be prepared with marginal explanations of the basis used in arriving at each of the figures shown, reconciling material changes which have occurred or are expected to occur and shall include the following items:

See "Forecast of Operations" attached as Exhibit D. If additional information is desired, it will be supplied upon request.

Applicant has filed applications with the Administration for Construction-Differential Subsidy and Operating Differential Subsidy.

G. If a contract for the construction, reconstruction or reconditioning has been awarded, state the name of the contractor and give full details as to the manner of the award. If such contract has not been awarded, give details as to the manner in which the award is to be made.

A contract for the construction of the Newbuilding has been negotiated. The vessel will be constructed by Seatrail Shipbuilding Corporation, a New York corporation, organized and existing under the laws of the State of New York, under the same common ownership and control as the Applicant. A copy of the Construction Contract will be furnished as soon as possible.

H. If the Applicant proposes to establish a new service, route, or line, etc.

Not applicable.

I. If the proposed loan is for the purposes of constructing a new vessel, a full statement concerning any changes in existing services, route or lines, etc.

Not applicable.

J. Vessel trade-ins and estimated trade-in values, etc.

Applicant will trade-in two or more vessels which it will acquire from a related company. Trade-in values will be furnished later.

K. If the application is filed under Section 1107 of the Act, etc.

Not applicable.

VI. Fees and Charges.

A. A full and complete statement of all sums, if any, to be paid and of all other consideration given or to be given by the Applicant in connection with the proposed loan, mortgage, insurance and commitment to insure, including with respect to each such payment (1) the name and address of each person, corporation, etc., to whom the payment is made or to be made, (2) the amount of the cash payment, or the nature and value of other consideration (estimates may here be given if necessary), (3) the exact nature of the services rendered or to be rendered therefor, (4) any conditions upon the obligation of the Applicant to make such payment, and (5) the nature of any affiliation, association, or prior business relationship between anyone named in answer to clause (1) of this item and the Applicant or any of its directors or principal executive officers. If anyone named in answer to said clause (1) participated in the development of the project or the preparation of the loan application or information filed therewith, the exact nature and extent of such participation must be set forth.

At the time of filing this application, no payments have been made in connection with the proposed Newbuilding. It is estimated that shipbuilder's costs to be paid to Seatrail Shipbuilding Corporation will approximate \$65,000,000.

Since the financing has not been arranged, the name of the lender(s) cannot be furnished. It is anticipated that commitment fees on the proposed Construction Loan and the proposed Mortgage Loan and/or Interest on the Construction Loan will be approximately \$3,000,000.

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We further estimate that the interest rate on the Construction Loan and Mortgage Loan will be approximately 7½ per annum.

It is anticipated that the Applicant may be required to pay underwriter's fees estimated at \$850,000.

Legal fees shall be paid to Coles & Goertner, 1000 Connecticut Ave., N.W., Washington, D. C., as counsel for the Applicant and to the counsel to be appointed to represent the lending institution(s) which it is estimated will aggregate \$300,000.

In addition thereto, it is estimated that \$50,000 will be paid to Eisner & Lubin, 250 Park Avenue, New York, New York, for accounting services in connection with this transaction.

Approximately \$100,000 will be paid for printing fees, etc. and \$158,000 for miscellaneous costs including Title XI Insurance premiums on the Construction Loan.

It is also estimated that \$42,000 will also be paid to the Maritime Administration for investigation fees.

None of the recipients of any such payments is affiliated or associated with or has had prior business relationships with the Applicant or any of its directors or principal executive officers except Seatrain Shipbuilding Corporation which is under the same joint ownership and control as the Applicant; Coles & Goertner has represented the parent company and affiliated companies of the Applicant as counsel in other transactions and in the development of this project and the preparation of this application, such services being limited to rendering of legal services; and Eisner & Lubin has represented the parent company and affiliated companies of the Applicant generally as certified public accountants.

VII. As to Schedules and Exhibits.

A. A list describing the documents filed with the application, which shall include:

Schedule I: The mortgagee's, lender's, and/or note purchaser's statement(s) in support of the application:

To be filed later as financing has not been arranged.

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Schedule II and Schedule III: Table of characteristics and Preliminary design information:

will not be furnished at this time as this information has previously been filed with the Administration by an affiliated company under another application for a similar vessel.

Exhibit A: (1) Certificate of Incorporation of Applicant - to be furnished later.

(2) By-Laws of Applicant - to be furnished later.

Exhibit B: (1) Source and Application of Funds statement.

(2) Annual Reports of Seatrain Lines, Inc. for past five years are on file at the Administration.

(3) Applicant's Pro-Forma Balance Sheet as of date of delivery of the Vessel.

Exhibit D: Forecast of Operations

Exhibit E: Chart of related companies

Exhibit F: Construction Contract between Applicant and Seatrain Shipbuilding Corporation to be furnished later.

Dated: June 16, 1972

TYLER TANKER CORPORATION

By: _____
Charles J. Hess
Secretary-Treasurer

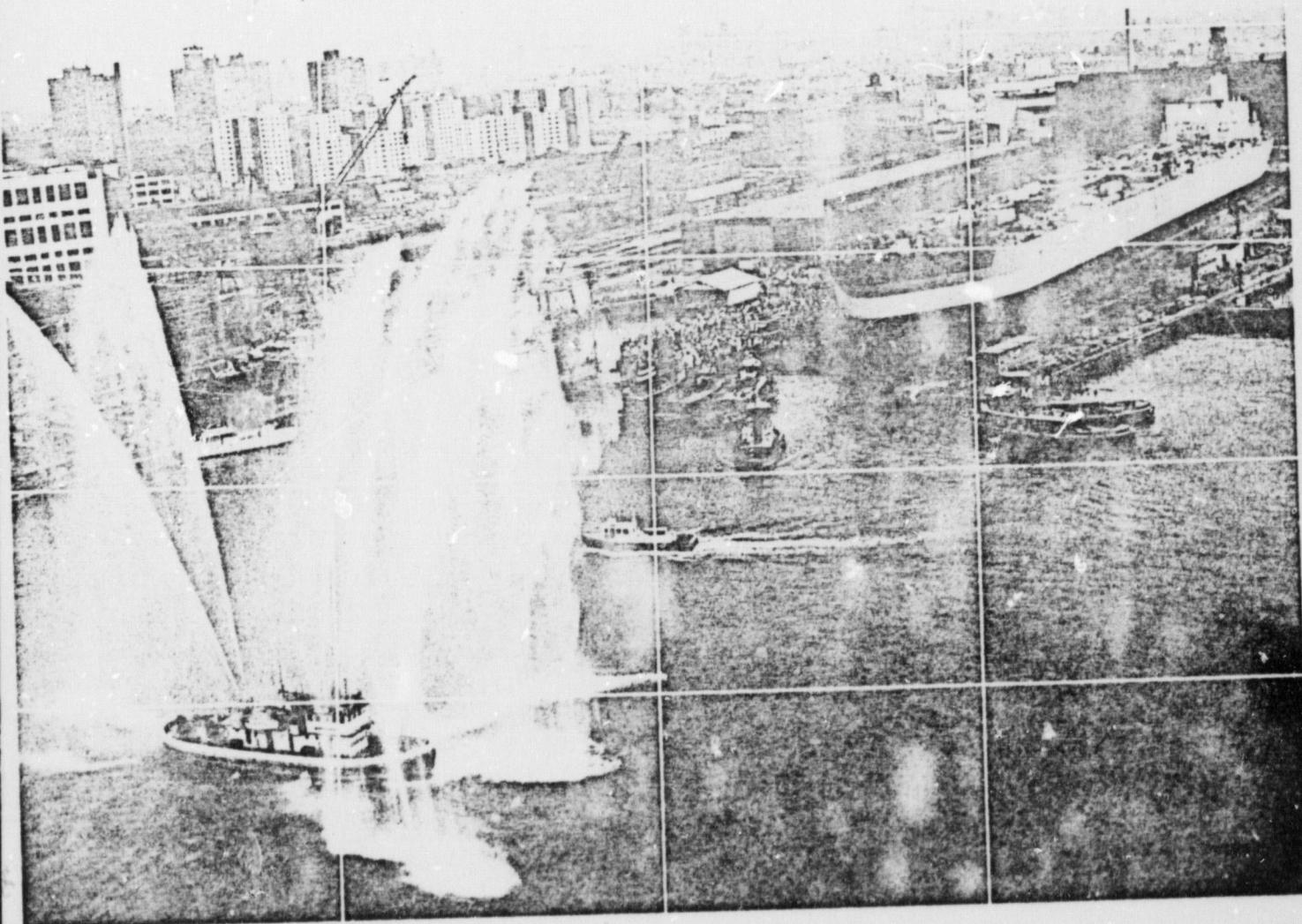
Attest:

Assistant Secretary

I, Charles J. Hess, do certify that I am the Secretary-Treasurer of TYLER TANKER CORPORATION, the Applicant on whose behalf I have executed the foregoing application: that the Applicant is a citizen of the United States within the meaning of Section 2, Shipping Act, 1916, as amended (U.S.C., Title 46, Sec. 802), Sections 37 and 38, Merchant Marine Act, 1920, as amended (U.S.C. Title 46, Sec. 888), and Section 905(c), Merchant Marine Act, 1936, as amended (U.S.C., Title 46, Sec. 1244); that this application is made for the purpose of inducing the United States of America to grant insurance pursuant to the provisions of Title XI of the Merchant Marine Act, 1936, as amended, and (except as otherwise required or approved by the Secretary), the rules and regulations prescribed to carry out the provisions of such Title; that I have carefully examined the application and all documents submitted in connection therewith and, to the best of my knowledge, information and belief, the statements and representations contained in said application and related documents are full, complete, accurate, and true.

Charles J. Hess

PETITIONERS EXHIBIT 8



Financial Highlights

	Year Ended June 30,	
	1973	1972
Revenues	\$298,293,000	\$211,303,000
Loss before Extraordinary Items	(22,344,000)	(6,301,000)
Per Share	\$(1.63)	\$.46
Extraordinary Items	(752,000)	(4,158,000)
Per Share	\$.06	\$.30
Net Loss	(23,096,000)	(10,459,000)
Per Share	\$(1.69)	\$.76
Expenditures for Vessels, Property and Equipment	80,118,000	71,936,000
Depreciation	18,737,000	22,065,000
Net Vessels, Property and Equipment	296,286,000	275,202,000
Stockholders' Equity	37,407,000	60,478,000
Per Share	\$.73	\$4.42
Common Shares Outstanding—June 30	13,707,000	13,688,000

The Annual Meeting of Stockholders will be held on Tuesday, November 20 at 3 p.m. in the Auditorium, ground floor, 1 Chase Manhattan Plaza, New York, N.Y.

Cover: Fireboat sends streams of water skyward to salute the christening of the Turbo Tanker "Brooklyn", Seatrail Shipyard's first 225,000 dwt supertanker, on June 30, 1973. Photo by the N.Y. Daily News.

To Our Shareholders:

and federal income tax credits of \$4.5 million. Revenues last year totaled \$298.3 million, compared with \$211.3 million a year earlier.

Fiscal 1973 witnessed a repetition of the critical problems that had plagued our container operations a year earlier. Intense competition in the North Atlantic and an increasingly competitive atmosphere in other trades, spiralling costs and painfully slow response to the industry's applications for rate increases to compensate for them, all combined to create a sea of red ink for our container ships. Massive dollar devaluations which imposed an unexpected burden on overseas operations proved especially damaging.

The result was a net loss of \$23,096,-000 or \$1.69 per share, including special charges of \$752,000 from losses on the sale of equipment and federal tax credits of \$1.3 million. In fiscal 1972 the net loss was \$10.5 million or \$76 per share, including special charges of \$4.2 million

Rate increases in key trades, which had been repeatedly delayed by recurring price freezes during the various phases of federal control regulations, were finally granted late in the year. Some important rate increases were frozen through August, however, and some are still pending. However, during fiscal 1974, favorable improvement in freight rates, planned cost savings, or improved market share should eliminate the loss experienced in 1973 or at least reduce it to more manageable proportions.

Given a favorable turn in container operations, Seatrain will finally be able to realize the substantial profits being generated by the charter segment of our business. Charter rates for tankers in the world market are higher than they have been in 20 years. Vessels chartered in during the year resulted in a net increase in our deadweight tonnage

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capacity and all of these vessels are profitably employed. Because of higher rates and increased capacity, charter revenues should continue to rise during the current year as well.

Coincident with the booming charter market, and partially as a result, our massive investment in Seatrain's shipbuilding facility at the former Brooklyn Navy Yard also is finally about to begin paying off. The 225,000 dwt supertanker "Brooklyn" was christened on the final day of the fiscal year, and is scheduled for delivery in the second fiscal quarter. Her sistership, the "Williamsburgh", is almost 50% completed. Sale of both ships during the current fiscal year should add above \$140 million to revenues for fiscal 1974. Despite the substantial cost overrun on the "Brooklyn",



Container shipping revenues accounted for more than two-thirds of operating revenues in fiscal 1973, an increase of more than 75% from the prior year.

the profit on the second vessel should enable Seatrain Shipbuilding to report a profit in its first year of actual operations. Heretofore, the shipyard reported neither revenues nor expenses.

Proceeds from the sale of the ships will enable us to make the monthly principal payments to certain banks which have been postponed throughout the latter half of the past fiscal year, and to substantially reduce our bank debt. Our principal banks have indicated that when the sale and charter of the "Brooklyn" is concluded they will discuss a restructuring of the company's short-term debt. Sale of the ships and restructuring of bank debt, coupled with a turn in the container division operations and continued profitable charter business, should combine to create a vast improvement in Seatrain's cash flow.

During 1973 we have added three experienced professional managers to our top management group. Mr. Joseph J. Celli came to us with extensive operating experience in the trucking

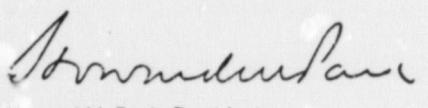
industry and was appointed Vice President and also President of the Container Division. Mr. James J. Connolly, a certified public accountant, who has had extensive financial experience in the steamship industry, was appointed Vice President and Chief Financial Officer for the company. Mr. Thomas Howes, President of our shipbuilding subsidiary, formerly managed a group of industrial companies. Mr. Charles J. Hess was promoted to Vice President and Treasurer of the company.

Our company has endured three very difficult years while developing our

container division into one of the three largest in the world, and our shipyard into one of the largest in the U.S. We are therefore reluctant to express unguarded optimism about the future. But the long and arduous period of continued investment without commensurate return does seem to be at an end. Costs could finally be in line with container revenues this year. The protracted debate over construction of a trans-Alaska pipeline has apparently been concluded, opening a new important market for U.S.-flag supertankers some time in the foreseeable future.

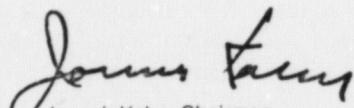
As a result we are beginning to believe that the future does offer promise, and that some of the promise may be kept this year.

Sincerely,

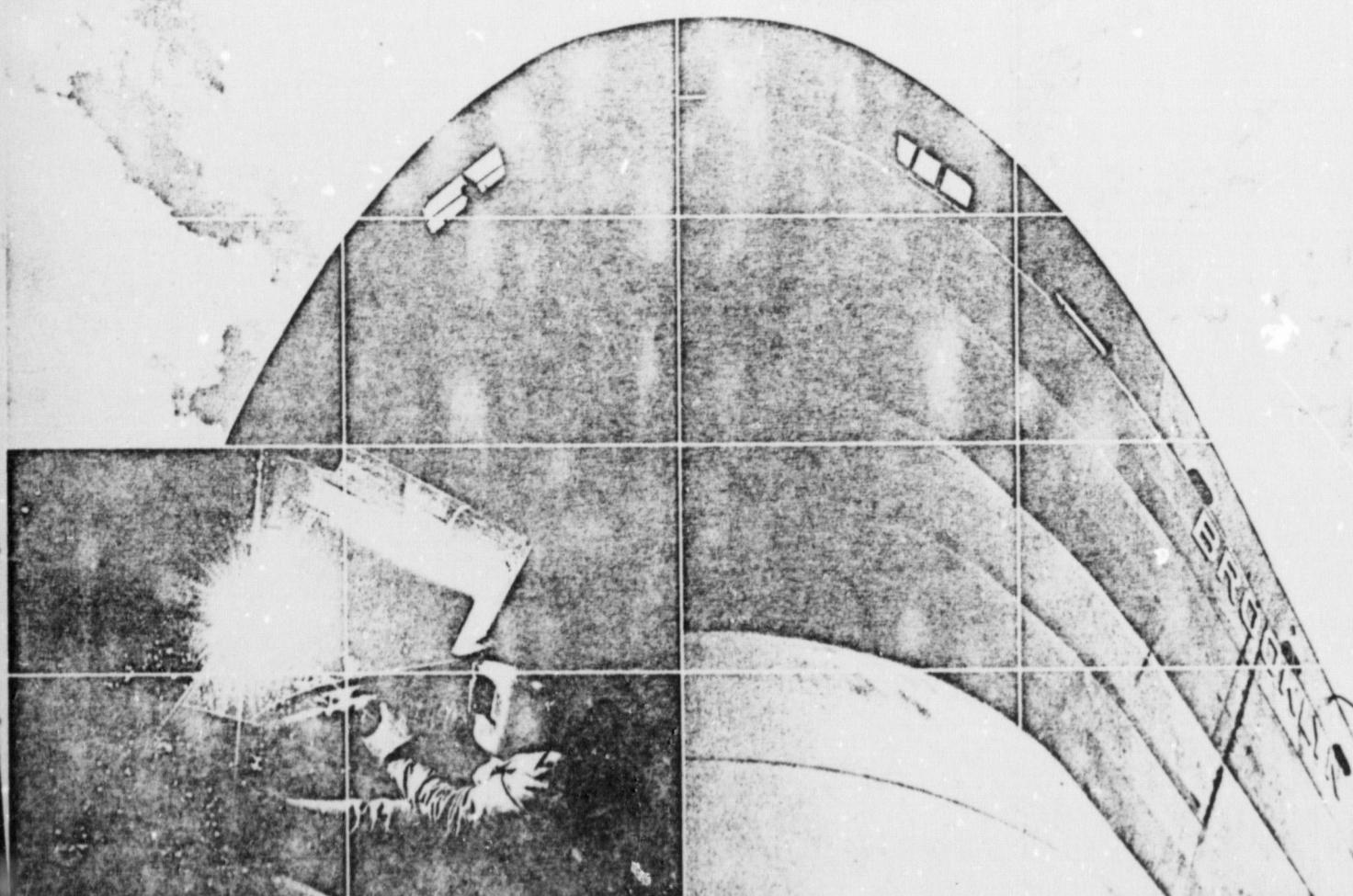


Howard M. Pack, President

October 2, 1973



Joseph Kahn, Chairman



The completed bow of the TT Brooklyn, first supertanker out of Seatrain Shipyard, as work proceeds (inset) on a sister ship, the Williamsburgh.

A worldwide energy crisis and the growing likelihood of more balanced international trade have combined to brighten prospects for the U.S. merchant marine.

Sharply rising demand for fuels has boosted charter rates for tankers in the world market, where Seatrain operates a substantial fleet, to among their highest levels in decades. The fuel shortage also has spurred action toward developing America's domestic oil reserves, which in turn will add to requirements for new and bigger U.S. flag tankers.

Seatrain's shipyard and others in the U.S. are rapidly gearing up to provide the fleet of U.S.-built supertankers that

will be needed when oil begins to flow from Alaska, the newest and potentially largest source of domestic oil.

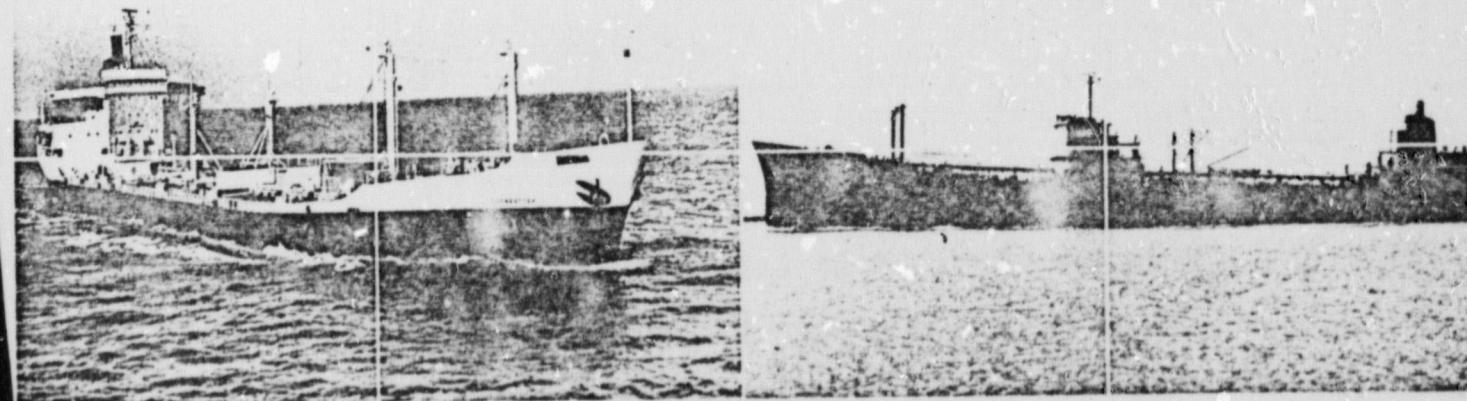
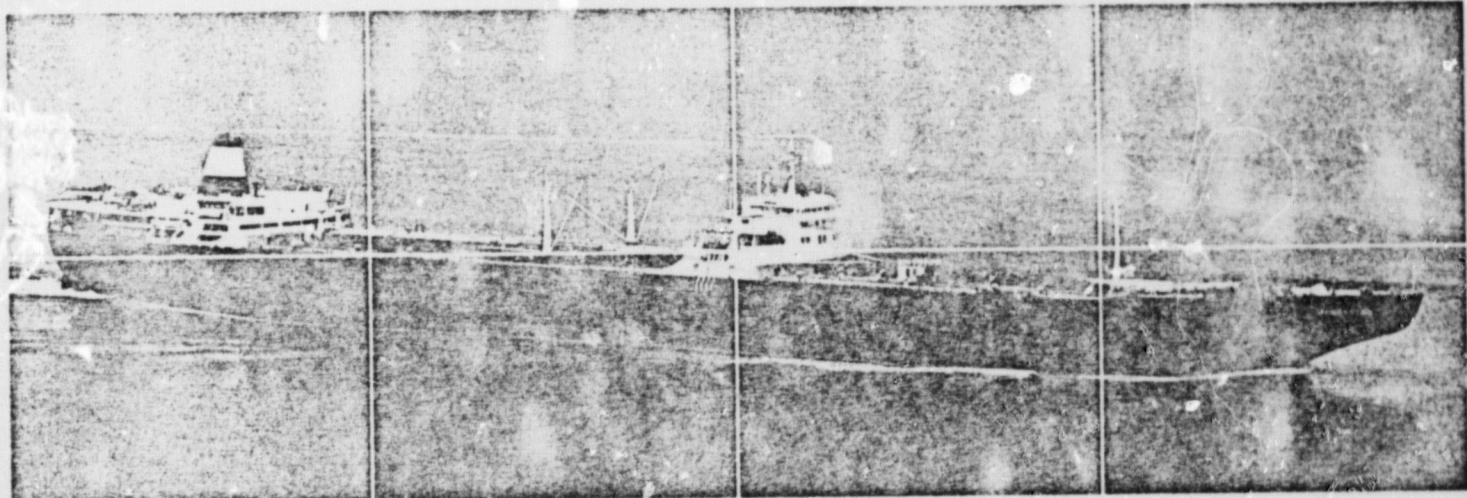
On the basis of recent congressional action it appears likely that work on a pipeline from the North Slope of Alaska to its southern coast port of Valdez could begin this fall. Oil could begin to flow within three to five years. In addition, there is now greater acceptance of the need for deep water ports to off load these tankers, and it is probable that new ports and offshore terminals suitable for Very Large Crude Carriers can and will be built by 1980.

Given a substantial flow of Alaskan oil, a continued flow of oil in international trade and the availability of U.S. port facilities large enough to accommodate the new superships, the industry is looking toward a requirement for new tankers which, within a few years, could reach a level of 5 to 10 new Very Large Crude Carriers annually.

In the containerization field, there appears to be a bright side to the dollar devaluation problem that has plagued

much of U.S. industry over the past year. Greater parity in currencies seems to be developing a more balanced international trade between the United States and the rest of the world. Although there is no minimizing the problems of competition in the container field, if container ships can be filled by balanced traffic in both inbound and outbound directions there is a substantially greater likelihood of profitable operation in the major container trades.

Tankers operated by Seatrain subsidiaries carried grain to the Soviet Union and oil throughout the world. The Manhattan (top photo) served in both trades. The two tankers below are among 13 owned by the government and operated by the company under a five-year management contract signed last year.



Five-Year Financial Summary
(In Thousands)

Seatrail Lines, Inc. and Subsidiary Companies

120

	1973	1972	1971	1970	1969
Results for the Year					
Revenues	\$298,293	\$211,303	\$161,398	\$ 99,820	\$ 94,880
Operating Expenses	239,722	153,371	113,599	55,074	53,068
Marketing, General and Administrative Expenses	46,748	31,585	18,175	6,584	5,297
Interest Expense	16,730	15,083	14,821	7,444	5,607
Depreciation	18,737	22,065	19,046	12,177	11,959
Federal Income Tax (Credit)	(1,300)	(4,500)	(4,100)	3,290	3,710
Total Expenses	<u>320,637</u>	<u>217,604</u>	<u>161,541</u>	<u>84,569</u>	<u>79,641</u>
Income (Loss) before Extraordinary Items	(22,344)	(6,301)	(143)	15,251	15,239
Extraordinary Items	(752)	(4,158)	(377)	2,189	1,668
Net Income (Loss)	<u>(23,096)</u>	<u>(10,459)</u>	<u>(520)</u>	<u>17,440</u>	<u>16,907</u>
Expenditures for Vessels, Property and Equipment	80,118	71,936	63,119	101,925	57,369
Year-End Position					
Current Assets	\$ 88,343	\$ 82,986	\$ 53,912	\$ 44,797	\$ 28,157
Current Liabilities	169,504	115,933	106,413	80,096	61,670
Vessels, Property and Equipment—Net	296,286	275,202	276,250	245,157	176,225
Total Assets	477,971	452,054	388,623	332,676	222,714
Long-Term Debt	240,537	241,736	195,185	167,976	101,328
Stockholders' Equity	37,407	60,478	70,708	69,937	52,466
Shares of Common Stock Outstanding	13,707	13,688	13,685	13,680	13,674
Per Share Data					
Income (Loss) before Extraordinary Items	\$(1.63)	\$(.46)	\$(.01)	\$1.12	\$1.12
Net Income (Loss)	(1.69)	(.76)	(.04)	1.28	1.24
Stockholders' Equity	2.73	4.42	5.17	5.11	3.84

Consolidated Statement of Operations and Retained Earnings

Seatrail Lines, Inc. and Subsidiary Companies

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	Year Ended June 30,	
	1973	1972
Revenues	\$298,293,000	\$211,303,000
Operating expenses	239,722,000	153,371,000
Marketing, general and administrative expenses	46,748,000	31,585,000
Interest expense	16,730,000	15,003,000
Depreciation	18,737,000	22,065,000
Deferred federal income tax (credit)	(1,300,000)	(4,500,000)
	<u>320,637,000</u>	<u>217,604,000</u>
Loss before extraordinary items	(22,344,000)	(6,301,000)
Extraordinary items	(752,000)	(4,158,000)
Net loss	(23,096,000)	(10,459,000)
Retained earnings at July 1	43,278,000	53,737,000
Retained earnings at June 30	<u>\$ 20,182,000</u>	<u>\$ 43,278,000</u>
Loss per share (based on average number of shares outstanding):		
Before extraordinary items	\$ (1.63)	\$ (.46)
Extraordinary items	(.06)	(.30)
Net loss	<u>\$ (1.69)</u>	<u>\$ (.76)</u>

The notes to financial statements are an integral part of these financial statements.

June 30,

1973

1972

Assets**Current Assets:**

Cash	\$ 7,681,000	\$ 14,072,000
Cash in restricted accounts	—	4,911,000
Marketable securities, at cost which approximates market	9,984,000	—
Accounts receivable, less reserve of \$3,960,000 in 1973 and \$1,450,000 in 1972	46,069,000	35,943,000
Due from U.S. Government for vessels under construction	9,766,000	15,766,000
Prepaid charter hire	9,265,000	4,201,000
Prepaid expenses and other assets	5,578,000	8,087,000
Total Current Assets	88,343,000	82,986,000

Vessels, property and equipment, at cost less accumulated depreciation of

\$75,235,000 in 1973 and \$85,134,000 in 1972	296,286,000	275,202,000
Construction, escrow and other funds	25,606,000	28,334,000
Prepaid charter hire	43,376,000	38,146,000
Deferred preoperating expenses	13,980,000	15,961,000
Other assets	10,380,000	11,425,000
	\$477,971,000	\$452,054,000

Liabilities**Current Liabilities:**

Notes payable—banks	\$ 44,332,000	\$ 22,004,000
Accounts payable	49,787,000	35,932,000
Accrued expenses	20,993,000	17,938,000
Current portion of long-term debt	54,392,000	40,059,000
Total Current Liabilities	169,504,000	115,933,000
Unterminated voyage revenues less expenses	6,151,000	6,346,000
Long-term debt	240,537,000	241,736,000
Other liabilities	5,137,000	2,470,000
Deferred charter income	17,189,000	21,495,000
Deferred federal income tax	2,046,000	3,346,000
Minority interest in subsidiary	—	250,000

Stockholders' equity:

Capital stock—\$1 par value; authorized 30,000,000 shares, 13,706,764 shares outstanding in 1973 and 13,688,164 in 1972 after deducting 3,900 shares in treasury	13,707,000	13,688,000
Paid-in capital	3,518,000	3,512,000
Retained earnings	20,182,000	43,278,000
	37,407,000	60,478,000
	\$477,971,000	\$452,054,000

The notes to financial statements are an integral part of these financial statements.*

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	Year Ended June 30,	
	1973	1972*
Sources of Working Capital		
Loss before extraordinary items	\$ (22,344,000)	\$ (6,301,000)
Charges (credits) not affecting working capital:		
Depreciation	18,737,000	22,065,000
Deferred federal income tax	(1,300,000)	(4,500,000)
Amortization of prepaid charter hire, deferred charter income and deferred preoperating expenses	5,389,000	2,818,000
Increase (decrease) in unterminated voyage revenues less expenses	<u>(195,000)</u>	<u>1,152,000</u>
Total from Operations	287,000	15,234,000
Proceeds from sale of vessels, property and equipment	16,080,000	33,495,000
Construction differential subsidy	23,465,000	14,664,000
Decrease (increase) in construction, escrow and other funds	2,728,000	(19,018,000)
Proceeds from borrowings	41,844,000	69,122,000
Additions to deferred charter income	—	20,350,000
Other	3,487,000	872,000
	<u>87,891,000</u>	<u>134,719,000</u>
Applications of Working Capital		
Additions to vessels, property and equipment	80,118,000	71,936,000
Additions to prepaid charter hire	12,944,000	20,657,000
Reduction in long-term debt	<u>43,043,000</u>	<u>22,572,000</u>
	<u>136,105,000</u>	<u>115,165,000</u>
Increase (Decrease) in Working Capital	<u><u>\$ (48,214,000)</u></u>	<u><u>\$ 19,554,000</u></u>
Changes in Working Capital		
Cash	\$ (6,391,000)	\$ 3,581,000
Cash in restricted accounts	(4,911,000)	3,653,000
Marketable securities	9,984,000	—
Accounts receivable	10,120,000	1,829,000
Due from U.S. Government for vessels under construction	(6,000,000)	15,766,000
Prepaid charter hire	5,064,000	4,201,000
Prepaid expenses and other assets	(2,509,000)	42,000
Notes payable—banks	(22,328,000)	15,698,000
Accounts payable	(13,855,000)	(8,206,000)
Accrued expenses	(3,055,000)	(4,296,000)
Current portion of long-term debt	(14,333,000)	(12,714,000)
Increase (Decrease) in Working Capital	<u><u>\$ (48,214,000)</u></u>	<u><u>\$ 19,554,000</u></u>

*Reclassified for comparative purposes.

The notes to financial statements are an integral part of these financial statements.

NOTE A—Summary of Significant Accounting Policies.**Principles of Consolidation:**

The consolidated financial statements include the accounts of Seatrain Lines, Inc. and its subsidiary companies. Accounts stated in foreign currencies are translated to U.S. dollars at appropriate rates and the resulting gains and losses are recorded in income. In the year ended June 30, 1973, exchange losses were \$1,427,000.

Operations:

The Company reports its container and voyage charter operations on the completed voyage basis, its time charter operations on the accrual basis, and its shipbuilding operations on the completed contract basis. Operating, general and administrative expenses, including interest, of the shipbuilding operations are included as costs of construction of shipbuilding facilities and vessels.

Time charter revenues, charter hire expense and other rental expense are included in operations on a straight line basis. Differences between amounts included in operations and payments at increasing or decreasing rates are included in the balance sheet as either prepaid charter hire or deferred charter income.

Operating differential subsidy earned for Russian grain shipments is deducted from expenses and in 1973 was \$4,484,000.

Preoperating Expenses:

Operating, terminal, marketing and administrative expenses, including interest, incurred in the development of certain container services, were deferred in prior years and are being charged to operations over a ten-year period from commencement of operations.

Income Taxes:

The financial statements reflect provision for the deferred income tax effects related to transactions recorded in the ac-

counts in a period different from that in which these transactions are reported for income tax purposes. This accounting policy allocates the income tax effects of transactions to the period in which such transactions are recorded for financial statement purposes.

Investment tax credits are used as reduction of the provision for income taxes when they first become available.

Vessels, Property and Equipment:

Vessels, property and equipment are stated at cost and are depreciated over their estimated lives using the straight line method.

NOTE B—Vessels, Property and Equipment

	June 30,	
	1973	1972
Vessels	\$120,892,000	\$142,113,000
Vessels under construction	97,517,000	54,266,000
Idle vessels	—	24,471,000
Terminal property and equipment	33,887,000	31,591,000
Chassis and containers	73,663,000	68,548,000
Other property and equipment	8,493,000	6,539,000
Shipbuilding facilities	37,069,000	29,808,000
	371,521,000	360,336,000
Less accumulated depreciation	75,235,000	85,134,000
	<u>\$296,286,000</u>	<u>\$275,202,000</u>

NOTE C—Shipbuilding Operations

At June 30, 1973, construction of three Very Large Crude Carriers of 225,000 deadweight tons each was in progress and preliminary engineering and design costs had been incurred with respect to a fourth. The aggregate cost of these vessels is expected to be approximately \$311,000,000, of which \$135,000,000 had been expended to June 30, 1973. The Company has contracts with the U.S. Government for construction differential subsidy with respect to these vessels of \$103,000,000, of which \$38,000,000 has been earned and is applied against vessels under construction at June 30, 1973.

NOTE D—Long-Term Debt

	June 30,	
	1973	1972
Notes Payable to banks		
2½% above prime due 1973 to 1976 . . .	\$ 64,936,000	\$ 76,717,000
140% of prime due 1977 to 1978	37,000,000	12,000,000
1% above prime due 1974 to 1975	5,750,000	5,750,000
Equipment loans payable		
5½% to 11¼% due 1973 to 1986	44,852,000	47,434,000
Mortgages payable		
4¾% to 9½% due 1973 to 1993 less \$921,000 and \$968,000 unamortized discount	51,002,000	58,351,000
U.S. Government Insured Merchant Marine Bonds		
5% to 7.50% due 1973 to 1994	33,141,000	21,856,000
Other notes payable		
\$2,650,000 non-interest bearing, balance at prime rate due 1973 to 1975	4,448,000	5,887,000
Loans payable to officers and stockholders due 1976, without interest	3,800,000	3,800,000
Convertible subordinated debentures		
6% due 1980 to 1994 convertible at \$27.50 a share	50,000,000	50,000,000
	<u>294,929,000</u>	<u>281,795,000</u>
Less—payable within one year	54,392,000	40,059,000
	<u>\$240,537,000</u>	<u>\$241,736,000</u>

Payable \$47,000,000 in 1975, \$29,383,000 in 1976, \$27,609,000 in 1977 and \$40,024,000 in 1978.

The banks have agreed to a postponement until October 15, 1973 of \$17,672,000 principal payments due under a bank loan agreement and have waived until that date a provision of the loan agreement calling for the Company to maintain a minimum net worth of \$70,000,000. Although the banks have made no commitments, the Company is discussing with them a rescheduling of maturities. Negotiations are under way to sell the first Very Large Crude Carrier to be completed at Seatrain Shipyard. The sale of this first vessel, which was launched June 30 and scheduled to be delivered in October, is expected to effect a substantial reduction in this bank debt.

Indebtedness aggregating \$87,884,000 is guaranteed or insured by the U.S. Government. The net income from operations of certain vessels is deposited in restricted funds as collateral; the balances in these funds at June 30, 1973 were \$11,263,000.

Substantially all of the assets and charter revenues have been pledged for the above indebtedness and for the short-

term notes payable to a bank. Various loan agreements restrict borrowings and acquisitions, sale and leases of property and equipment and, in the most restrictive agreements, prohibit the payment of cash dividends.

NOTE E—Income Taxes

The undistributed earnings of foreign subsidiaries aggregated approximately \$64,000,000 at June 30, 1973 after deducting a \$14,000,000 intercompany dividend in 1972; approximately \$17,000,000 and \$26,000,000 was earned during the years ended June 30, 1973 and 1972, respectively. The Company's expansion program has required the retaining of foreign subsidiaries' earnings in such subsidiaries; therefore, no provision has been made for federal income taxes thereon.

At June 30, 1973, investment credits of \$14,650,000, expiring \$350,000 in 1976, \$3,000,000 in 1977, \$1,400,000 in 1978, \$3,200,000 in 1979, \$4,900,000 in 1980 and \$1,800,000 in 1981, and net operating losses of \$62,000,000, expiring \$16,000,000 in 1976, \$17,000,000 in 1977 and \$29,000,000 in 1978, are available to reduce future income taxes. For accounting purposes, investment credits of \$13,600,000 and net operating losses of \$48,000,000 are available to reduce future book income taxes.

NOTE F—Commitments and Contingencies

At June 30, 1973, the Company had chartered in vessels and leased property for remaining periods up to 28 years at a charter hire and rent of \$57,000,000 in fiscal 1974; during the next four years such charters and leases decrease to approximately \$27,000,000 a year at June 30, 1978. In addition, the Company had chartered in vessels, scheduled for future delivery, for three to seven years at a charter hire of up to \$22,000,000 a year. The Company remains contingently obligated on three vessels chartered in and subsequently chartered out to others for periods up to 1981, with a minimum annual hire of approximately \$14,000,000 to 1975 and \$12,000,000 thereafter. These vessels are profitably employed and the Company does not expect to incur any costs under these obligations. The Company has guaranteed approximately \$73,000,000 of financing obtained by certain owners of chartered vessels and has pledged certain of its assets in connection therewith.

The Company has sold and chartered back thirteen of its vessels from the U.S. Maritime Administration. The charter periods expire upon the completion dates of the vessels under construction by the Company. The net proceeds, after deducting estimated charter hire, are to be applied as construc-

tion progress payments on the vessels under construction. The excess of the depreciated cost of the vessels sold over the sales price has been deferred as "prepaid charter hire" and is being charged to operations over the charter period.

The Company is contesting a ruling of the Federal Maritime Commission approving certain assessments by the New York Shipping Association of approximately \$1,000,000. In another issue, the Justice Department has charged the Company with violations of the 1916 Shipping Act, accusing it of having given certain shippers preferential treatment two years ago. In addition, there is currently under way a Justice Department anti-trust investigation of the rates charged by all four of the U.S. shipping companies in the Puerto Rico trade. The Company is contesting these actions and believes their outcome should have no material adverse effect on the Company's financial position.

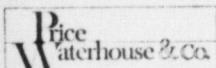
NOTE G—Retirement Plan

The Company has a retirement plan covering substantially all office employees. The plan is not funded. The pension expense for the year was \$500,000 (\$360,000 in 1972) which includes current cost and interest on the unfunded prior service cost.

NOTE H—Capital Stock

Stock option transactions for the year ended June 30, 1973 are summarized as follows:

Report of Independent Accountants



To the Board of Directors and Stockholders
of Seatrail Lines, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations and retained earnings and of changes in financial position present fairly the financial position of Seatrail Lines, Inc. and subsidiary companies at June 30, 1973, the results of their operations and the changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The consolidated financial statements of Seatrail Lines, Inc. and subsidiary companies for the year ended June 30, 1972 were examined by other independent accountants.

SIXTY BROAD STREET, NEW YORK, NEW YORK 10004

September 19, 1973

Price Waterhouse & Co.

**Directors:**

Joseph Kahn, Chairman
 Howard M. Pack
 James K. Crimmins
 Norman Kahn
 Roger B. Oresman
 Jerome S. Katzin

Officers:

Chairman
 Joseph Kahn
 President
 Howard M. Pack
 Vice Chairman of the Board
 and Vice President
 Norman Kahn
 Vice President
 Joseph J. Celli
 Vice President
 and Chief Financial Officer
 James J. Connolly
 Vice President
 and Treasurer
 Charles J. Hess
 Vice President
 Thomas P. Howes
 Assistant Secretary
 Mary A. Baker

Hudson Waterways Corp.

President
 Norman Kahn
 Vice Presidents
 Carmine Bracco
 John Corcacas
 Charles R. Nealis
 Joseph Perres
 William Van Geyzel

Seatrain Shipbuilding Corp.

President
 Thomas P. Howes
 Senior Vice President
 E. R. Stuber
 Vice Presidents
 Raymond J. Cicconi
 H. T. Haller
 L. John Renshaw
 Stuart A. Rock
 George M. Shackleton
 Gerald T. Smith

Seatrain Lines Container Division

President
 Joseph J. Celli
 Executive Vice Presidents
 Ronald A. Kucks
 Arthur C. Novacek
 Senior Vice Presidents
 Leonard Bennett
 William O. Gohlke
 Raymond Velez
 Vice Presidents
 Kevan H. Cleary
 J. H. Funke
 Andrew N. Garbis
 John J. Haggerty
 William Heffernan
 Roger Skove
 W. A. J. Van Campenhout
 George Workman

Capital Stock

Transfer Agents:
 Chase Manhattan Bank, N.A.
 New York, N.Y.

Continental Stock Transfer Company
 Jersey City, N.J.

Registrar:
 Chase Manhattan Bank, N.A.

Convertible Debentures

Trustee and Registrar:
 First National City Bank
 New York, N.Y.

Executive Offices

1 Chase Manhattan Plaza
 New York, N.Y.

Seatrain Lines, California

President
 Frank D. Troxel
 Vice Presidents
 Robert L. Bushner
 Kotaro Hori
 William Miller
 Henry Redstone
 Theodore E. Schulz
 Phillip C. Speilens
 W. R. Starr
 Rodney B. Vari

Seatrain Europa N.V.

Managing Director
 Neal Nunnelly
 Directors
 J. C. Bijleveld
 M. Quartel

Service of a Copy of within Exhibit
Name is hereby admitted this 21st
Day of February, 1975

Jordan J. Adelage 11:00 am
Attorney for Charging Party

and

Michael London was signed by Susanne Seeger

Michael London, Esq.
Attorney for P.R.R.B.